



Daily Report

China

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General

UNEP Delegate Calls for Environmental Efforts *OW141944 Beijing XINHUA in English 1640 GMT 14 Mar 88*

[Text] Nairobi, March 14 (XINHUA)—Xue Mohong, head of the Chinese delegation to the first special session of the governing council of the United Nations Environment Programme (UNEP), today called on the UNEP to devote more efforts to the developing countries in environmental protection.

Addressing the opening meeting of the special session today, Xue Mohong expressed his appreciation of the drafts of the UN system-wide medium-term environment programme (1990-1995) and the medium-term plan of the UNEP for the same period now under discussion at the session. "These documents have laid emphasis on the basic idea of sustainable development, pointed out the worsening of the environment in the world today and set forth positive guidelines, policies and a programme of action to solve these problems step by step," he said.

"So long as these important principles in the documents are observed and the programme of action is implemented with untiring efforts, the worsening of the global natural environment will be alleviated and put under control and the earth's environment which determines the very survival of the mankind can be improved," he added.

The head of the Chinese delegation then presented the special session for consideration four suggestions, namely: First, the training of environmental management personnel, for developing countries in particular, should be taken as one of the priority objectives over the six-year period covered by the medium-term programme; second, UNEP should shift its emphasis of work gradually from the headquarters to regional offices; third, the work of UNEP liaison offices in various countries should be strengthened and effective assistance be given to developing countries in establishing their own environmental assessment system; fourth, a strategy of developing eco-agriculture by using micro-biological resources and biological technologies should be energetically promoted in developing countries.

Delegations from the Soviet Union, the United States, Finland, Sweden, Japan and other member states also addressed the opening meeting today. They all called for more government attention, public awareness and international cooperation to ensure environmental-sound, sustainable development.

The Swedish delegation suggested that another world environment conference be held in 1992 to mark the 20th anniversary of the first world environment conference held in Stockholm in 1972, which decided to establish UNEP to promote the cause of environmental protection of the world.

Boeing Receives Joint-Venture Plane Tail *OW121016 Beijing XINHUA in English 1623 GMT 12 Mar 88*

[Text] Xi'an, March 11 (XINHUA)—The first plane tail made in China for the Boeing 737-300 series was turned over today to the American manufacturer.

Made by the Xi'an Aircraft Company, the 6.14-meter-tall, 3-meter-wide tail is the most complicated plane part China has ever made for a foreign aircraft company.

The tail is made of 1,175 parts, including one that requires 400 working procedures.

The American partners expressed satisfaction with the quality of the work at a ceremony this morning.

Jiang Xiesheng, vice-minister of aeronautics industry described the success as "an important step forward in China's aeronautics industry."

It demonstrates that some of China's aircraft manufacturing techniques have come close to international standards, he said.

Xi'an company signed a contract in 1984 with the Boeing company to process 200 vertical tails. Two more tails are being assembled. The project will be completed in 1992.

The company, formed 30 years ago, started processing parts for foreign planes in 1980 and since then has signed 13 contracts with aircraft companies in the U.S., Canada, Italy and France.

To meet international standards, it has invested 120 million yuan to upgrade 13 production lines and acquire 500 pieces of key equipment, of which 75 have been included in Boeing Company's unified standards document.

Shao Guobin, general manager of the company, said that international cooperation has narrowed the gap between the Chinese aeronautics industry and that of the developed countries.

He said his company is capable of making other major parts for the 737 plane.

Last year, export of plane parts from China totalled 12 million U.S. dollars, triple the amount of 1985.

United States & Canada

PRC Diplomat Seeks Political Asylum in Canada

LD142132 Montreal International Service
in English 2100 GMT 14 Mar 88

[Text] An official of the Immigration Department in Ottawa says a Chinese diplomat is seeking political asylum in Canada. The diplomat is stationed at the Chinese Embassy in Ottawa, but is reportedly not a senior embassy official. The diplomat has not asked for refugee status. He is staying in Canada on a special permit from the minister of immigration, which allows holders to enjoy most privileges of a landed immigrant. There are no other details available.

Walter Mondale Meets With Nation's Leaders

Meeting With Chen Muhua

OW111428 Beijing XINHUA in English 1320 GMT
11 Mar 88

[Text] Beijing, March 11 (XINHUA)—U.S. entrepreneurs are welcome to run joint ventures, cooperative enterprises in China, or to upgrade existing Chinese factories, said Chinese State Councillor Chen Muhua here today.

In a meeting with the visiting former U.S. Vice President Walter F. Mondale, Chen, also governor of the People's Bank of China, said it will do good to both China and the U.S. to further their mutual understanding, dispel misunderstanding, and increase their economic and technological cooperation.

Mondale said that he will encourage U.S. entrepreneurs to come to understand China and cooperate with their Chinese counterparts.

After the meeting, Chen, who met the former U.S. Vice President last year in the United States, gave a dinner for the U.S. visitors.

This is the fifth visit to China of Walter F. Mondale, an old friend of the Chinese people.

Exchange With Li Peng

HK150656 Beijing RENMIN RIBAO in Chinese
13 Mar 88 p 1

[Text] Beijing, March 12 (XINHUA)—(By reporter Chai Shikuan) Chinese Acting Premier Li Peng expressed optimism about the future of Sino-U.S. relations in a meeting at Zhongnanhai today with former U.S. Vice President Walter Mondale.

Li said the recent visit to the United States by Wu Xueqian, state councillor and minister of foreign affairs, has contributed to furthering friendship and cooperation between the two countries.

He noted that U.S. President Ronald Reagan reaffirmed the one-China stand at a meeting with Wu. "We hope the U.S. Administration will always keep this stand," Li added.

Li also noted with pleasure the United States' decision to lift a limitation on exporting technology to China.

He said that he was optimistic about the future development of Sino-U.S. relations, but there still may be twists and turns and differences in the future. However, he said, it would not be difficult to settle them if the leaders of the two countries could handle them with the fundamental interests of the two nations in mind.

Mondale also noted with pleasure that the two countries have continued to expand and deepen their economic relations and have reached a better understanding in the political field.

Mondale was in China as a member of the law firm of Dorsey and Whitney which acts as legal advisor of the China Great Wall Industrial Corporation in its service of launching satellites for foreign clients.

During their meeting, Li thanked Mondale and his colleagues for helping speed up China's entry into the international satellite launching market. He expressed the hope that the two sides would make joint efforts to make this endeavor a success.

He said that China's space technology is not the most advanced in the world but "it is very practical and reliable."

Meeting With Zhao

OW141436 Beijing XINHUA in English 1430 GMT
14 Mar 88

["Relations With U.S. 'Very Important,' Says Zhao"—XINHUA headline]

[Text] Beijing, March 14 (XINHUA) — Chinese Communist Party leader Zhao Ziyang reiterated today that China regards as very important its relations with the United States.

Zhao said he hoped those relations will continue to develop steadily as they have over the past 10 years.

Zhao, general secretary of the Chinese Communist Party, made the comments during a meeting with former U.S. Vice-President Walter Mondale.

Zhao said former U.S. President Nixon got the ball rolling but noted diplomatic ties were not formalized until J. Carter was president and Mondale, vice-president.

He was pleased that the development of Sino-U.S. relations has become a policy shared by both the Democratic and Republican Parties in the United States. This guarantees a steady and continuous development in the bilateral relations, he added.

Zhao said the recent cordial talks on major international issues and Sino-U.S. relations between Chinese Foreign Minister Wu Xueqian and President Ronald Reagan and Secretary of State George Shultz were conducive to mutual understanding.

Zhao said the development of good relations is in the basic interest of both countries and has a great influence on world peace and stability.

However, there still exist some problems, Zhao pointed out. For relations to develop well, he said, it is necessary to observe the principles set out in the three joint communiques signed by both countries.

Zhao hoped the U.S. Government would use its influence to promote Sino-U.S. economic relations and encourage American traders to invest in China by way of joint-ventures or sole-funded enterprises.

Mondale expressed optimism over the future of Sino-U.S. relations and said both major political parties in the U.S. support friendly relations with China.

Mondale and his party are expected to return home tomorrow ending their one-week visit to China.

Northeast Asia

Fukuoka Assembly Urges Measures Against Shootings

OW141554 Beijing XINHUA in English 1531 GMT
14 Mar 88

[Text] Tokyo, March 14 (XINHUA)—Japan's Fukuoka Prefectural Assembly in a decision this morning called on government organs concerned to take effective measures to prevent the reoccurrence of shooting at foreign missions.

The incident occurred at the Chinese Consulate General in Fukuoka late Friday night when a gunman fired a shot at the first floor of the three-storey Chinese building from a white-colored passenger car at around 23:00 hours (local time) and drove away.

The decision, adopted at today's assembly meeting, said it is regrettable that such an incident happened when efforts were being made by Japanese organizations and people in Fukuoka to promote Sino-Japanese friendly relations.

CPPCC Vice Chairman Meets Japanese Guests

OW142227 Beijing XINHUA in English 1455 GMT
14 Mar 88

[Text] Beijing, March 14 (XINHUA)—Yang Chengwu, vice chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met and feted here today a delegation from Okayama, Japan.

The 104-member delegation headed by Kaheita Okazaki, honorary advisor to Japan-China Friendship Association, arrived here this afternoon.

The guests will attend celebrations marking the seventh anniversary of friendly ties between Luoyang City of Henan Province and Okayama.

Southeast Asia & Pacific

Editorial Criticizes Vietnam's Naval Moves

HK150140 Hong Kong WEN WEI PO in Chinese
15 Mar 88 p 1

[Editorial: "The Vietnamese Navy Must Withdraw From the Nanshas"]

[Excerpts] Vietnam has shown more and more arrogance in recent months by openly declaring that the Nansha [Spratly] Islands and the South China Sea are its territorial land and waters. Yesterday, Vietnam actually opened fire on Chinese vessels engaged in patrols and surveys around Chigua Reef, deliberately staging a provocation and creating tension. This has angered the Chinese people.

The Nansha Islands have been Chinese since ancient times. [passage omitted]

In the early post-liberation period, China's Navy was weak and only possessed in-shore patrol vessels; the southern boundaries were not patrolled. However, China's Navy has been greatly strengthened in recent years and it is strong enough to defend the Nanshas and uphold its legitimate rights in defending the southern boundaries. The Nanshas are 1,600 km from the mainland, but China today has deep-sea destroyers and a naval air force and can fight combined operations. The PRC Foreign Ministry stated solemnly on 15 April 1987 with regard to Vietnam's illegal occupation of Baijiao Island in the Nanshas: "The Chinese Government reserves the right to recover these islands at the appropriate time."

The Chinese Navy started surveying and patrolling its sea boundaries in the Nanshas last year. This upsets Vietnam, which has at times tested the strength of the Chinese Navy in a bid to maintain its presence on the Nanshas as much as possible. It has also adopted the

strategy of "the villain suing his victim before he himself is prosecuted," in order to confuse public opinion and divert attention from its internal contradictions.

At the start of the Year of the Dragon, Vietnam rushed to accuse Chinese warships of surveying and patrolling the Nanshas, and demanded that the Chinese vessels withdraw from its waters. This was totally unjustified; it was also contrary to international law. Any sovereign state would reject decisively this kind of aggressive demand. The PRC Foreign Ministry replied formally to Vietnam on 22 February: "Vietnam has no right to interfere with Chinese vessels patrolling their own territorial waters. It is Vietnam that has occupied illegally islands and reefs in China's Nansha Islands. If the Vietnamese side ignores the consistent stand of the Chinese Government and hinders our legitimate activities in these areas, it will have to bear the responsibility and the consequences."

However, the Vietnamese authorities regarded this Chinese warning as merely a puff of wind passing the ear. Beginning in February, Vietnam has assembled warships continually and adopted a bellicose posture in putting pressure on Chinese patrol vessels. In recent days, Vietnam has agitated its masses, organized rallies, stirred up an adventurist atmosphere, and proclaimed "upholding sovereignty." It appears that Vietnam is deliberately stirring up trouble for some gain. The significance of the Vietnamese forces opening fire for the first time yesterday is that this tested China's resolve and strength to defend itself. This is because there is a long supply line for the Chinese warships, and the Vietnamese Navy has used the "delaying" trick consistently by delaying for 2 months until the Chinese ships' supplies were almost exhausted and then concentrating forces for a sudden attack.

However, the Chinese Government was prepared for this since it warned Vietnam three times in 10 days not to act rashly. Yesterday's counterattack in self-defense showed something to the Vietnamese Navy. If Vietnam is wise, it should withdraw from the Nanshas to avoid clashes. Vietnam will miscalculate the situation if it attempts in vain to trust to luck, or strikes a pose, thinking that China has not yet made up its mind.

Vietnam Holds State Funeral for Pham Hung
*OW151103 Beijing XINHUA in English 1051 GMT
15 Mar 88*

[Text] Hanoi, March 15 (XINHUA)—A state funeral for Pham Hung, chairman of the Council of Ministers of Vietnam, was held here this morning.

Vietnamese leader Nguyen Van Linh read a condolence message and called on the Vietnamese people to learn from Pham Hung to overcome the difficulties they face.

Pham Hung, 76, died of a heart attack on March 10. Those who specially came to attend the funeral included a Soviet delegation led by First Deputy Premier Nikolay

Talyzin, a Laotian delegation and a delegation of the Phnom Penh regime. Principal Vietnamese party and government leaders also were present.

Song Jian Expresses Condolences
*OW151107 Tokyo KYODO in English 1057 GMT
15 Mar 88*

[Text] Beijing, March 15 KYODO—Chinese State Councillor Song Jian called at the Vietnamese Embassy Tuesday afternoon to express the Chinese Government's condolences to the Vietnamese over the death of Premier [title as received] Pham Hung last Thursday, according to the official XINHUA NEWS AGENCY.

Song, minister of the state science and technology commission, presented wreaths from the State Council (government) and the Foreign Ministry, the agency said.

West Europe

Wu Xueqian Meets in London With British Leaders

Talks With Foreign Secretary
*HK150633 Beijing RENMIN RIBAO in Chinese
12 Mar 88 p 6*

[Dispatch by reporter Li Yunfei (2621 0061 7378) from London on 10 March: "Wu Xueqian Holds Talks With British Foreign Secretary Howe"]

[Text] This afternoon Wu Xueqian, China's state councillor and foreign minister, and British Foreign Secretary Geoffrey Howe held their first round of talks. The two sides exchanged opinions on a wide range of international issues including East-West relations, disarmament, and regional conflicts. When talking about the Cambodian and Afghan issues, both sides stressed that foreign troops must withdraw completely from these two countries as soon as possible.

Foreign Minister Wu also briefed Foreign Secretary Howe on his visit to the United States. The talks were held at Howe's country residence at Chevening, Kent. In the evening, Foreign Secretary Howe held a banquet at Chevening in honor of Foreign Minister Wu amid a cordial and friendly atmosphere.

Briefs Prime Minister
*OW150052 Beijing XINHUA in English 0030 GMT
15 Mar 88*

[Text] London, March 14 (XINHUA)—British Prime Minister Margaret Thatcher met with visiting Chinese Foreign Minister Wu Xueqian at No. 10 Downing Street this afternoon.

Chinese officials accompanying Wu on his current six-day visit here told XINHUA that the Chinese foreign minister briefed Mrs. Thatcher on the domestic situation in China. They also exchanged views on international and bilateral issues of mutual concern.

Wu, who is also a state councillor, conveyed to Mrs. Thatcher the greetings and good wishes from Chinese leaders.

Among those present on the occasion were British Foreign Secretary Sir Geoffrey Howe and Chinese Ambassador to Britain Ji Chaozhu.

Earlier this afternoon, Wu met with Home Secretary Douglas Hurd and attended a luncheon in his honor at the House of Commons hosted by Robert Adley, chairman of the British-Chinese parliamentary group.

Wu, who arrived in London on March 10, is expected to make a speech entitled "China's Role in Today's World" at the Royal Institute of International Affairs tomorrow afternoon.

Hosts Banquet

OW150913 Beijing XINHUA in English 0838 GMT
15 Mar 88

[Text] London, March 14 (XINHUA)—Visiting Chinese State Councillor and Foreign Minister Wu Xueqian said here today that one of the Chinese Government's long-term policies is to strengthen relations with Britain.

Proposing a toast at a return banquet he gave at the Chinese Embassy this evening, Wu said, "We want to carry on our friendly cooperation with the United Kingdom not only for this century, but into the next one. China and the United Kingdom have no conflict of fundamental interest. Instead, the two countries share many similar interests."

"Since the signing of the Sino-British joint declaration on the question of Hong Kong in 1984, comprehensive and rapid progress has been made in our bilateral relations. Frequent exchanges of visits and meetings between leaders of our two countries have deepened mutual understanding and trust," Wu said.

The steadily growing trade relations between the two countries and "an even more lively atmosphere" in cultural, scientific and technological exchanges and cooperation has shown "that Sino-British friendly relations have been further enriched and have entered a new stage, a stage of increased cooperation of mutual benefit on the basis of enhanced trust," he added.

"We are ready to further strengthen and expand our cooperation with the U.K. in all fields," Wu said. "I believe that with the joint efforts of both countries, Sino-British friendly relations and cooperation will surely reach a new high."

Wu described his visit as having enhanced mutual understanding and trust between China and Britain and said he was pleased with the trip.

On international affairs, Wu said that current international developments show both an encouraging trend of relaxed tensions and some disturbing, complicated factors.

"On one hand, the easing of U.S.-Soviet relations and their progress in reducing nuclear arms have brought about a certain degree of relaxation in East-West relations. We welcome this development," Wu said. "On the other hand, what causes our concern is that the arms race is still far from coming to a halt and the regional hotspots remain to be solved."

He called for continued efforts by all nations and peoples to bring about a genuine relaxation in international affairs.

Wu said that China and Britain, as permanent members of the U.N. Security Council, shoulder a lofty responsibility for maintaining world peace and stability. "In the present international situation, it is highly necessary to further strengthen political consultations between our two countries," he said.

In his toast, British Foreign Secretary Sir Geoffrey Howe said, "Hong Kong is at the center of our relationship. The joint declaration on which we both worked so hard, is historically unique, I hope that it may come to be seen by other countries, and also by historians of the future, as an example of the creation of an entirely new solution to a problem bequeathed to us by our past."

"We have a common responsibility to ensure the continued stability and prosperity of Hong Kong," he added, "the success of our relationship as a whole depends heavily on our success in carrying out this joint endeavour."

Referring to China's reforms, Howe said, "China is now building her own road forward. We hope that through a continued open-door policy we shall be able to contribute to this important and historical process."

Besides Howe, the British guests at the banquet included Welsh Secretary Peter Walker, Minister of State for Foreign Affairs Lord Glenarthur, Minister for Overseas Development Christopher Patten, former Prime Minister Lord James Callaghan and Ambassador-Designate to China Alan Donald. Chinese Ambassador to Britain Ji Chaozhu also attended.

CPC Central Committee Opens Plenary Session

*OW151005 Beijing XINHUA Domestic Service
in Chinese 0808 GMT 15 Mar 88*

[Text] Beijing, 15 Mar (XINHUA)—The 2d Plenary Session of the 13th CPC Central Committee opened in Beijing this morning.

Zhao Ziyang, Li Peng, Qiao Shi, Hu Qili, and Yao Yilin, members of the Standing Committee of the Political Bureau of the CPC Central Committee, presided over the meeting.

General Secretary Zhao Ziyang delivered a work report on behalf of the Political Bureau of the Central Committee.

Zhao Ziyang said in the report: After the 13th CPC National Congress, the central task for the party is to let reform play a dominant role in overall work and organize the implementation of resolutions adopted by the congress. Over the past 4 and 1/2 months, the Political Bureau has made efforts to carry out the strategy for economic development, push forward economic and political restructuring, and strengthen party building.

Referring to the forthcoming sessions of the Seventh NPC and the Seventh CPPCC National Committee, Zhao Ziyang said: Through full discussions as well as consultations with the democratic parties, patriots without party affiliation, people's organizations, and people of various walks of life, the Political Bureau has worked out a list of tentative candidates for the posts of president and vice president of the state, chairman of the NPC Standing Committee, premier of the State Council, chairman of the State Military Commission, and chairman of the CPPCC National Committee. The Political Bureau has also worked out a list of tentative candidates for the posts of vice chairmen of the NPC Standing Committee, vice premiers of the State Council, vice chairmen of the State Military Commission, vice chairmen of the CPPCC National Committee, president of the Supreme People's Court, procurator general of the Supreme People's Procuratorate, and state councillors. Both lists are submitted for deliberation to the Plenary Session.

Zhao Ziyang's report also covered China's economic situation, speedier economic development of the coastal areas, the formulation and enforcement of the Draft Enterprise Law, party building, and social consultation and dialogue.

Zhao Ziyang said: This report represents the major work of the Political Bureau over the past 4 months or so as well as its ideas and arrangements for further implementing the guidelines of the 13th CPC Congress from now on.

Zhao Ziyang said: Since the 13th CPC Congress, the Political Bureau has tried to carry out reform in its work, including the way of holding some important meetings and the arrangement of some important activities. The current Plenary Session should also be conducted in a lively atmosphere to produce practical results. Comrades are urged to speak freely about their experiences and problems in implementing the guidelines of the 13th CPC Congress in the various localities, departments, and units, as well as to put forward suggestions concerning the Political Bureau's work.

Zhao Ziyang said: By fully relying on the collective leadership of the Central Committee and the collective wisdom of the whole party, we will be able to closely unite and guide the people of all nationalities to do a better job.

On behalf of the Political Bureau, Song Ping, member of the Political Bureau of the CPC Central Committee and director of its Organization Department, explained the lists of tentative candidates for heads of state organs and leaders of the CPPCC National Committee to be recommended by the Political Bureau respectively to the Seventh NPC and the Seventh CPPCC National Committee.

The meeting today was attended by 168 members and 106 alternate members of the Central Committee.

The meeting was also attended by 183 members of the Central Advisory Commission, 68 members of the Central Discipline Inspection Commission, and 36 comrades from relevant departments as observers.

This afternoon the session will begin panel discussions on Comrade Zhao Ziyang's report as well as the lists of tentative candidates for heads of state organs and leaders of the CPPCC National Committee to be recommended to the Seventh NPC and the Seventh CPPCC National Committee.

The Plenary Session is expected to last until 19 March.

NPC Standing Committee Discusses Accidents

*OW150152 Beijing XINHUA Domestic Service
in Chinese 1616 GMT 11 Mar 88*

[Excerpts] Beijing, 11 Mar (XINHUA) — Members attending the 25th Session of the 6th NPC Standing Committee examined the State Council's report on handling the two major transportation accidents in separate groups on the afternoon of 10 March and later examined it jointly on 11 March.

The State Council's Report on the Two Accidents Was Made in a Serious Manner in the Spirit of Seeking Truth From Facts and Its Handling Was Also Appropriate [subhead]

Members of the NPC Standing Committee are convinced that the State Council's report on the two accidents was made in a serious manner in the spirit of seeking truth from facts and its handling of those responsible for the accidents was quite appropriate. Member of the NPC Standing Committee Ma Wanchi said: The two accidents caused great shock at home and abroad, and the accidents also caused damages to a certain extent. In recent years, there have been other frequent accidents involving ferries and motor vehicles. We must pay careful attention to these accidents. In addition to handling these cases in the spirit of seeking truth from facts, we must attach importance to preventing the recurrence of similar accidents. This is the most important thing. Comrade Ding Guangen seriously took responsibility for the accident. Following the accident, he immediately went to the site of the accident to handle the situation. While repeatedly requesting that he be punished, he led staff members and workers of railway departments to draw lessons from the accident and to satisfactorily fulfill spring transportation work. He also submitted his resignation to show his sense of responsibility as a leader of the ministry. I agree with the State Council's opinion on handling the case. A safety system should be established in civil aviation, and it should be implemented in a strict manner. Leading cadres, staff members, and workers of communications departments should hold discussion meetings to discover hidden dangers and ways to solve these problems. The question of safety must be placed in the most important position. Various departments at all levels and the masses should all attach importance to the matter.

It Is Hoped That the State Council Will Draw Lessons From the Accidents and Seriously Inspect the Situation of Various Departments [subhead]

Members Yang Keping and Chen Heqiao said: The State Council attached great importance to the two major accidents, conducted serious investigation, and made a decision on handling the matter. Its decision shows its sense of responsibility to the people. We should not only discover the causes of the accidents but also conscientiously sum up the lessons. At present, various organizations and enterprises in our country lack strict management, strict organizational discipline, and a strict system. Serious bureaucratism and the problem of overlooking ideological work exist. It is hoped that the State Council will seriously inspect various ministries and departments; draw lessons from the accidents; strengthen management through reform; and strengthen discipline, the responsibility system, and ideological work. [passage omitted]

The Cause of the Accidents Had Existed for a Some Time [subhead]

Member Peng Dixian said: The recent major railway and airplane disasters seemed accidental, but in fact some factors leading to the disasters had already existed. In his report, Zhang Jingfu analyzed the fundamental causes of the

accidents. The causes existed for quite some time. In this respect, I think the slackening of labor discipline, poor systems, lack of attention to rules, and confusion in management were all serious problems which existed for a long time in railway departments. Therefore, a major accident happening with heavy losses and bad results was unavoidable. We must draw lessons from it and prevent the recurrence of such problems. [passage omitted]

It Is Necessary To Overcome the Situation of Having Numerous Awards and Little Punishment or Punishing Too Lightly [subhead]

Member Xie Tieli said: The situation of slack discipline and paying little attention to responsibility exists in many departments. The accidents caused by units under the Ministry of Railways and the Civil Aviation Administration of China [CAAC] were the inevitable results of slack discipline and overlooking regulations. Bureaucratism shelters those who totally lack a sense of responsibility. The present situation allows too many awards and too little punishment. Punishment is often not strict enough and units concerned are afraid of investigating and finding out those bureaucrats who are to blame.

Member Lin Yishan said: The situation of not observing rules and regulations and not punishing those who violate regulations is quite common. I support structural reform. We must carry out structural reform to solve various problems although it will take some time. We must not allow the situation to continue in which accidents are only reviewed and action is not taken.

Bureaucratism Is a Major Reason for Frequent Accidents [subhead]

Member Pan Yan said: Why is management not strict and organizational discipline not observed? I think it is because of bureaucratism and bureaucrats not holding themselves responsible to the people. Some hard seat trains are overloaded with passengers, and the situation is not isolated. Why? Because the railway departments want to make more money. Accidents are bound to happen. It is important to investigate the cause of accidents, but what is more important is to seriously draw lessons from accidents and establish sound rules and regulations. We must have strict organizational discipline, strengthen our sense of responsibility, and strictly do things in accordance with rules and regulations. In the future, we must constantly pay attention to this work. [passage omitted]

It Is Necessary To Take Objective Factors Into Consideration in Taking Personnel Action [subhead]

In their group discussions, the overwhelming majority of members of the NPC Standing Committee agreed with the State Council's opinions on action toward the leading personnel of the Ministry of Railways and the CAAC,

but some members held that punishment was not heavy enough. Some members held that objective factors should be taken into consideration in taking personnel action. [passage omitted]

Geng Biao, vice chairman of the NPC Standing Committee, said: The serious transportation accidents were partly due to the problem of not observing rules and regulations and partly due to old and outmoded equipment and facilities. Comrade Ding Guangen made repeated self-examination in connection with the accident and submitted his resignation for this reason. He pledged that before his resignation is approved, he would continue to work hard and make efforts to improve safety work in order to make amends for his faults with good deeds. Comrade Ding Guangen and Hu Yizhou were willing to assume responsibility for the accidents. This is a good thing. On this matter, I think we should be prudent and avoid frequent ministerial changes. [passage omitted]

The Key To Solving Problems Is To Deepen Reform
[subhead]

Rong Yiren, vice chairman of the NPC Standing Committee, said: The present structural reform is extremely urgent and important. Being an organization of power, how should we solve the current problem of overstaffed organizations? How can we solve the problem of bureaucratism? Overstaffed organizations and bureaucratism will lead to many accidents. Therefore, the key lies in deepening reform and making careful study on the question of structural reform. We must solve the problems of overstaffed organizations and bureaucratism. We cannot achieve effective results if we do not carry out structural reform in a fundamental way. We can solve Comrade Ding Guangen's problem today, but problems of other people will occur tomorrow.

Book Reviews Progress of Reform Under Sixth NPC
HK150855 Beijing CHINA DAILY in English 15 Mar 88 p 3

[Text] China's ownership system has radically changed under the new reform policy of encouraging collective and private business while at the same time keeping the State economy in its predominant position.

State-run enterprises now account for only 57.5 per cent of the country's total industrial output value, while collective and private enterprises make up 40.2 per cent and 2.3 per cent respectively, compared with only 20 per cent and almost zero in 1978.

These revealing figures are contained in an encyclopaedia-style book released on Saturday by the General Office of the Standing Committee of the National People's Congress, the State Planning Commission and the State Economic Information Centre.

The statistics show how the economic reforms since 1983 have transformed the country's once-rigid economic system.

Compiled in just 90 days, the book contains the most authoritative and up-to-date information available on the country's reform and development programme during the five-year term of the Sixth National People's Congress from 1983 through 1987.

Due for wide publication during the forthcoming Seventh National People's Congress later this month, the full-length illustrated book is released as a comprehensive and systematic review of the important policy decisions of the Sixth National People's Congress, the major work of the State Council and its commissions and ministries and local people's government around the country.

A total of 61 State commissions and government ministries and 29 provinces, municipalities and autonomous regions have contributed reports and articles to the book on such subjects as economic and social development, reform and opening to the outside world, democracy and legal affairs, foreign relations, national defence and ethnic and religious affairs.

Chinese leader Deng Xiaoping wrote "Reform and Development" for the title of the book. The book also contains manages [as published] by Chinese President Li Xiannian, Chairman Peng Zhen of the Standing Committee of the Sixth National People's Congress and Deng Yingchao, chairwoman of the National Committee of the Chinese People's Political Consultative Conference.

On Sunday, nearly 100 senior State cadres and government officials met at the Great Hall of the People in Beijing for a ceremony to mark the publication of the book, which is praised as a valuable reference book for study of the progress of China's national reform and development over the past five years.

University Graduates To Lose 'Iron Rice Bowls'
HK150851 Beijing CHINA DAILY in English 15 Mar 88 p 1

[By staff reporter Li Xing]

[Text] Proposed changes in China's system of assigning jobs to all college graduates are aimed at ending the current practice of providing "iron rice bowls" in State-owned institutions and enterprises, said He Dongchang, Vice-Minister of the State Education Commission (SEC).

Speaking on Saturday at a meeting between SEC officials and student representatives from nine colleges and universities in Beijing, he said the changes aim not only at free choices for both students and employers but at making colleges and universities adapt their curriculum and teaching to social needs.

Some of the problems resulting from the current job-assignment system actually reveal problems in higher education, the vice-minister said.

For instance, some programmes provide narrow ranges of knowledge and some other programmes train students to work in higher educational and research institutions, which no longer need a large number of college graduates.

At the meeting, student representatives expressed their concerns over the current job assignments. They said that some students visited several State institutions and research institutes for potential job slots but failed to get any. He and Liu Zhongde, also a vice-minister of the SEC, said the State will be responsible for providing jobs for graduates this year.

A sample survey of 38 major cities, provinces and autonomous regions by the SEC revealed an estimated 700,000 jobs open for college and junior college graduates, while only about 460,000 students will graduate this year. Among them, more than 263,000 students will complete their undergraduate courses in 1988 and the country needs about 500,000.

However, central government institutions and big cities don't have as many job openings as they did in the past. It is the provincial and county level institutions, businesses and enterprises that are badly in need of college graduates.

The State will take care of job assignments for students now already in colleges and universities and the freshmen who will enter college this September.

The new system would affect undergraduates who enter college next year and finish school in 1993.

During the talks, students welcomed the idea of change. But they also suggested that society should create an environment for fair competition, providing more incentives for those who are willing to work in remote and under-developed areas or at undesirable jobs.

Defecting Student's Family Fined 'Enormous Sum'
HK150423 Hong Kong SOUTH CHINA MORNING POST in English 15 Mar 88 p 8

[By Seth Faison in Beijing]

[Text] Chinese leaders, determined to halt the steady flow of talent out of China, have prosecuted the family of a student who has failed to return from Japan.

By finding the man's wife and family \$40,000, an enormous sum by China's standards, a Shanghai court set a tough example for other students setting out overseas.

Plagued by a perilously high rate of students who decide not to return from study abroad—more than 75 percent by some estimates—China late last year introduced stiff financial penalties for publicly-funded students who overstay terms abroad.

Less than 9,000 of the 36,000 students going to the U.S. since 1979 have returned by China's own count.

Of the 27,000 still in the U.S., 10,000 were sent by the Government, 10,000 at their own expense, and 7,000 on visiting scholarships.

The Government now requires each student being sent abroad by their institution to sign a contract naming a guarantor to financially promise their return. Students who pay their own way are unaffected.

Acting Premier Li Peng, as chairman of State Education Commission, is said to be particularly concerned about the issue.

But some students questioned how the authorities would enforce the strict fines if the departing student was already abroad.

This weekend they found out.

A Shanghai court ruled that the student's wife pay the institute \$40,000, roughly equal to a lifetime's savings in China, where the average urban income is still about \$200 per month.

The student, a language teacher named Mr Ge from Shanghai's Foreign Language Institute was sent last September by the institute to Japan for three months' study.

Mr Ge's wife signed an agreement, with \$6,000 savings and property as collateral.

When his term was up in January, Mr Ge wrote to the school, requesting that his period of study be extended. They refused.

Many Chinese students scheme to get overseas by almost any means, figuring that once they have landed in the foreign country, they can find a way of extending their term.

CHENG MING Discusses Student Unrest
HK151121 Hong Kong CHENG MING in Chinese No 125, 1 Mar 88 pp 29-31

[Article by special correspondent Hsiao Chung (2556 3095): "New Tactics Adopted by the CPC To Curb Student Unrest"—first paragraph is CHENG MING introduction]

[Text] After studying things carefully, the CPC has worked out three new ways of dealing with student unrest: First, by introducing a "political police" system

in schools; second, by sending students to receive military training in military camps; and third, by occupying all the students' spare time by pretending to care for them....

Ma Qingjun "Foiled" the CPC's Plans [subhead]

Student movements surfaced in various parts of mainland China toward the end of both 1985 and 1986. At the end of 1987, the situation was at first "tranquil" among students. However, like a sudden thunder clap, the "tragic Zang Wei Case" at the University of International Business and Economics filled the ephemeral "vacuum"—a vacuum as far as student movements were concerned.

The apparently peaceful atmosphere painstakingly put together by the CPC was thus broken at the end of that year. This time, the troublemaker was not a student but a man named Ma Qingjun. This was the man who killed Zang Wei, a student at the University of International Business and Economics. A person involved in educational affairs in Beijing said: "Nineteen eighty-seven would have ended in a peaceful atmosphere in Beijing were it not for Ma Qingjun, who upset the CPC's snug calculations. This is why the CPC was so angry that it immediately sentenced Ma Qingjun to death on 23 December. Although people thought that it was only a manslaughter case, the CPC's courts tried the man on 'murder and hooliganism charges.'"

The State Education Commission's Two Arrangements [subhead]

At the beginning of last year, when student unrest was beginning to subside and when the campaign against bourgeois liberalization had been kicked off, the State Education Commission formed a small group to study and deal with student movements and unrest. Subsequently, the higher education directorates of various provinces and cities and the institutions of higher learning in various cities all formed corresponding leadership groups to strengthen this work.

Throughout 1987, on the basis of an appraisal of the "bourgeois liberal" trends among universities and their students, the education commission mainly focused its attention on two tasks: First, that of strengthening political and ideological work and second, that of making concerted efforts to deal with student unrest.

Regarding the first task, apart from strengthening internal political studies, the commission also applied methods introduced by Mao Zedong and Lin Biao during the Cultural Revolution. Under the pretexts of strengthening "social surveys" and "social service" and the need to be "re-educated by workers and poor and lower-middle peasants," it applied the teaching method of "sending out and inviting people and tried to whitewash it by describing it as a "flexible teaching method."

Regarding the second task, the CPC studied in detail and in an in-depth manner the problems of why, when, and where student movements took place in past years, the kind of people involved in these movements, and the measures adopted to deal with them and they adopted two measures to deal with student movements in 1987: By taking the 13th CPC National Congress in late October as a dividing line, it tried to ensure that nothing would happen before the congress and to stabilize the situation after it was over. This means that it divided the second half of last year into a fall session and a winter session and acted accordingly to prevent student movements getting started. The major means it employed were military training and indirect control of the students' extracurricular activities.

These two tasks sometimes converged. This means that while giving people political and ideological education, it tried to tighten control and while dealing with student movements, it strengthened political education at the same time.

"Political Policemen" at the 10 Major Institutions of Higher Learning [subhead]

Earlier, some mainland colleges were ridiculed and criticized by people for conferring the titles of "professor" and "lecturer" on cadres responsible for political work.

However, in early October 1987, to justify and legalize its moves, the State Education Commission put forward the "Suggestions on Training Master Students in Ideological and Political Education" and made student recruitment arrangements for 1988.

According to people in Beijing's educational circles, the CPC's purpose in doing this was to set up a "political police" system at institutions of higher learning.

To avoid being criticized and to conceal its real intentions, the commission specially pointed out in the "Suggestions" that: "In the new historical period, institutions of higher learning and various sections of society will need high-level professionals whose knowledge and practical competence can meet the requirements of ideological and political work." "Students will be recruited from among university graduates or working people who have equivalent qualifications and at least 2 years' experience in ideological and political work and they will be trained accordingly and, after their graduation, will be sent back to work in the units where they were working." Its intention was to make the work sound socially necessary.

However, its real intentions were betrayed by their specific arrangements—the authorities allowed only people doing ideological and political work at institutions of higher learning to enter themselves for examinations. "The State Education Commission suggests that institutions of higher learning focus their attention on the

long-term building of the team of ideological and political education teachers and encourages qualified working people to apply for admission."

It is reported that in 1988, Shanghai's East China Teachers' University and Fudan University, Tianjin's Nankai University, Beijing's Qinghua University and Beijing Iron and Steel Institute, Wuhan University, the Central China Teachers' University, the Xian Jiaotong University, Zhejiang University, and the Dalian Engineering Institute will for the first time admit master students in political education.

University Students Do Not Believe in Socialism [subhead]

According to people in educational circles, Shanghai, Tianjin, Beijing, Wuhan, Xian, Hangzhou, and Dalian—the seven cities which are going to recruit graduate students in political education this year—have seen more student unrest than other cities. The institutions of higher learning in these cities either have students who like to "create trouble" or have problems with their student ideological and political work.

For example, in Hangzhou, after conducting surveys people involved in theoretical work in Zhejiang have discovered that students are extensively influenced by Western philosophy and that Marxist philosophy is not marketable on campus. According to a teacher working in the Marxism-Leninism teaching and research section of a certain school, in some schools and departments, almost all students have copies of works by Sartre, Freud, Schopenhauer, Nietzsche, and other philosophers. Under the influence of modern Western philosophy, some university students think independently and enthusiastically discuss human values and are advocating the idea of freedom of personal choice and self-actualization and pursuing democracy and freedom. Others, however, are influenced by decadent ideas and they are pessimistic and cynical and blame everyone and everything but themselves.

The CPC regards all this as one of the "bourgeois liberal" trends, a challenge to its "adherence to the four cardinal principles," and thus a problem to be dealt with.

In dealing with these problems, the CPC has been quite careful tactically. Afraid that it might intensify contradictions, it is adopting an indirect approach. For example, it dares not adopt the past practice of wantonly banning certain books but stresses positive propaganda in countering the influence of Western philosophy. In an attempt to eliminate the influence of Western philosophy, some provinces and cities have formed "Marxism-Leninism lecturing teams" and get the institutions of higher learning to "invite" them to deliver lectures. Considering university students' "dislike for aged people," they do not let old Marxist authorities join these

"lecturing teams" but try to have as many young theorists on these teams as possible. They have not achieved much success by adopting the fashionable practice of "using peer groups."

In view of the fact that university students do not believe that "only socialism can save China," which the CPC considers to be an "absolute truth," some institutions of higher learning have tried to "send out people" apart from "inviting people to come." It is reported that last year, the University of Science and Technology at Anhui's Hefei, which was the first university to experience student unrest in 1986, successively sent more than 2,000 students to 11 cities including Shanghai, Beijing, and Tianjin and various mining and rural areas to conduct social surveys during the summer and winter vacations, in an attempt to change the students by trying to impress them with the so-called excellent situation that has come into existence since the 3d Plenary Session of the 11th CPC Central Committee. However, some students who have taken part in these social survey say: We agree that progress has been made in recent years. However, we should not rest content with yesterday's achievements. We should look at the world.

Concerted Efforts To Protect the 13th CPC National Congress [subhead]

In the second half of last year, although the situation was tranquil on various university campuses, the CPC had a very hectic time dealing with student unrest. Most of the student movements that have taken place in recent years took place in the second half of a year, particularly between "18 September" and "9 December." The time between these two dates in 1987 was precisely the time when the CPC convened its 13th National Congress, the first party congress since the conservatives pulled down Hu Yaobang, who represented the reformers.

To ensure the smooth and safe progress of the 13th CPC National Congress, the CPC dealt with the students by means of "foul play," exerting its full strength and making nationwide concerted efforts.

Since the resumption of school in September 1987, thousands upon thousands of university students have been sent to PLA barracks in various parts of the country to receive "military training" and to be put under control separately.

Military training for students in China resumed in 1985. However, in 1985 and 1986, only 69 institutions of higher learning participated in the military training program and only 110,000 students from these 69 institutions and 104 high schools and vocational schools actually received some military training. However, in September and October 1987, to prevent student movements and to ensure that the 13th CPC National Congress would be safely convened, the education commission increased the number of institutions of higher learning participating in the military training program to

105 and gave military training to about 166,000 university students. In large cities where there have been frequent student movements, such as Shanghai, Beijing, Tianjin, and Wuhan, the number of institutions participating in the "military training" was particularly large. In the capital city, not even the Beijing College of Dancing was spared. The college organized 120 students from its five departments into a company and sent it to Hebei's Zhuozhou for "military training."

Since it was impossible to train all university students at the same time and since most participants in past student movements were junior students, the CPC focused its attention on students of the 1986 and 1987 classes. For example, the 1,963 freshmen of the 1987 class at Shanghai's Tongji University and the 786 freshmen of the 1987 class at the University of Science and Technology all received "military training." The training lasted 35 days.

Political Training Disguised as Military Training [subhead]

The "military training" administered by the CPC last fall was just a blind because all the students could have been taught the subjects prescribed by the training program simply by inviting a few officers to the campus to teach them. However, the CPC insisted on sending them to camps in remote suburban area and even other parts of the country. Its purpose in doing this was to prevent the students from staging demonstrations in the streets during the 13th CPC National Congress by sending them away from their schools.

At Wuhan's Zhongnan Institute of Laws and Political Science, before they attend classes, freshmen are each given a copy of a "students' handbook" and a copy of the "Regulations on the Building of Civilizations in 'Two Halls and One Room'" and are required to receive "military training" after studying these books. The institute's purpose in doing this is to use military training as a starting point in its efforts to improve school style and enforce strict discipline and to control the students' daily lives and minds by means of discipline and systems. For example, in administering military training, it has introduced the system of keeping training records, the system of applying for leaves of absence and reporting back after leaves of absence, a test and assessment system, and some prescribed daily routines. Failure to attend a single training session is punishable as absence without leave.

In early October, after the nationwide introduction of the military training program, the State Education Commission and the PLA General Political Department jointly issued a circular calling on education departments at all levels, units assigned training duties, and the party committees of the people's armed forces departments to strengthen ideological and political work in student military training and to implement the principle of stressing both military and political affairs, so as to upgrade the students politically and ideologically.

Officers Regard University Students as Destructive Floods and Wild Animals [subhead]

However, the Army was quite unprepared for the State Education Commission's campaign against liberalization and was overwhelmed by the training duties suddenly assigned to it. There were simply not enough barracks and not enough qualified training officers and instructors.

Some training officers regarded the university students as real recruits and were rude to them. Therefore, the students disliked them. In some places, contradictions were intensified and the authorities were forced to relieve the training officers.

Some units are by nature allergic to university students and they regard students as destructive floods and wild animals. One of their worries is that the students could "corrode" the officers and men by introducing "bourgeois liberal ideas." It was against such a background that several female university students who were receiving training in Nanjing wrote to ZHONGGUO QINGNIAN BAO, saying:

"Life has been boring since we were assigned to this unit. The exciting life in barracks is only a bubble. Immediately after our arrival, the leaders sent us 110 female students to an out-of-the-way company. In our training ground and near our quarters, we see no fighters except our platoon and squad leaders. Sometimes, after the routine 8 hours, we may go for a stroll. We have always cordially greeted cadres and fighters whenever we see them. However, they invariably turn away and go as if they did not hear us. Once, the clothes we were drying fell on the ground. Fighters who were only 30 meters away turned their heads away and none of them dared pick them up.

"Why are we treated with such 'indifference?' After asking many people, we have discovered that the units do not want to get into 'trouble.' Shortly after our arrival, they introduced a series of 'security measures': Young cadres and fighters are not allowed to talk and organize amenity activities with us. There is a 15-meter-wide 'forbidden zone' behind our living quarters. Whoever steps inside this 'forbidden zone' will be punished.

"When we first arrived, we were full of confidence. We came not just to join the 'rank and file.' What is even more important is that we want to have an understanding of the Army and soldiers and build a bridge of understanding between ourselves and soldiers through this military training. However, given this 'line of demarcation' between us, how are we going to understand the People's Army?"

Such "military training" is simply a waste of the university students' time and this is indeed a sin.

Presenting Shows at Universities Without Being Requested [subhead]

The CPC's most important purpose in sending thousands upon thousands of university students to barracks to give them military training was to ensure that nothing would happen during the 13th CPC National Congress. At that time, the authorities thought that nothing serious was likely to happen at the end of October because the effects of military training should still be felt.

However, the CPC still did not feel reassured and it continued to try its best to ensure that things would be safe from student movements until the end of the year and the beginning of the winter vacation.

The CPC is aware that at the end of 1986, when one student movement was initiated after another, Beijing University hesitated. It is reported that at that time, seeing that student movements were being initiated everywhere in the country the Beijing University authorities were very uneasy. To show their care for the students, they promptly improved the mess, about which the students most frequently complain, arranged a cultural activity every 3 days, and tried their best to make the students' extracurricular activities colorful. In addition, on the eve of the Chinese New Year, they even had the mess hall serve additional courses. The CPC has had its organizations learn from this. Since October, the institutions of higher learning in various large cities have arranged many cultural and amenity activities and governments have organized many performing art troupes to present shows on campus. For example, the relevant departments in Shanghai have arranged "order-taking meetings." The municipal cultural affairs bureau has prepared a list of shows so that the institutions of higher learning can choose their favorite shows from it. One could say they are pampering the students. But how long can this go on?

Symposium on Reserve Defense Forces Held
OW151125 Beijing XINHUA Domestic Service
in Chinese 0727 GMT 12 Mar 88

[By reporter Gai Yumin]

[Excerpts] Lanzhou, 12 Mar (XINHUA)—The first national symposium on building reserve national defense forces since the founding of New China closed here on 11 March. At the symposium, the more than 100 participants, including leading party, government, and army cadres and those engaged in related theoretical studies, proceeded from the national conditions in our country and the characteristics of our Army and earnestly discussed theoretical as well as practical questions concerning the building of reserve national defense forces during the new period. They pointed out that the work of building reserve national defense forces during the new period must be linked with the central task of economic construction, and that it is necessary to adhere

to Mao Zedong's idea of people's war and to continue to deepen reform so as to blaze new trails in building a reserve national defense force with Chinese characteristics. [passage omitted]

Over 80 academic papers and investigative reports were presented at the symposium. Proceeding from different viewpoints, they theoretically discussed such major questions as the position and role of the work of building reserve national defense forces during the new period, the strategy to be adopted in developing this work, the mobilization of soldiers in case of need, and the related legislation. A number of valuable views were set forth in these papers and reports. All this shows that theoretical study in our country on the building of reserve national defense forces has reached a new level.

After an exchange of views on the results of these academic studies, the symposium participants arrived at this conclusion: At this time when our country is in the initial stage of socialism, we must build a relatively small but highly trained regular army and, in addition, a mighty reserve force to create a modern national defense. This is the best way to develop our country's national defense in the initial stage of socialism. Combining militia service with reserve service is a legacy and development of China's traditional military system. It is also the only way to build a reserve national defense force with Chinese characteristics. [passage omitted]

A rather big proportion of the academic papers exchanged at the symposium were written by principal leading comrades of military regions, provincial military districts, provinces, and municipalities. The symposium began on 7 March in Lanzhou. Speeches were made at the symposium by Xu Xin and He Qizong, deputy chiefs of the PLA General Staff, and Jiang Siyi, deputy commandant of the Academy of Military Sciences. They said that the research results reflected at the symposium are highly valuable and should be treasured and applied to practical work. In addition, they pointed out: The new period requires new theories. The numerous unprecedented circumstances and the new questions that have arisen in the course of reform should be coped with by means of new theories. Moreover, reform, which is continuously being deepened, must be guided by new theories. Only if we have new theories, can we conduct reform, blaze new trails, and achieve more effective results in building our reserve forces for national defense.

New Policies for Defense Industry Outlined
OW151330 Beijing XINHUA in English 1320 GMT
15 Mar 88

[Text] Beijing, March 15 (XINHUA)—China is taking a series of policy measures to make the defense industry a regular force in its economic construction, according to the latest issue of the OUTLOOK weekly (OVERSEAS EDITION).

These measures are being taken following the introduction in 1983 of a policy of encouraging enterprises in defense industry to produce goods for civilian use.

The Ministries of Ordnance, Aviation, Astronautics and Nuclear Industries used to work on defense exclusively.

Under a 1986 decision of the State Council and the Central Military Commission, they are serving the needs of both defense and economic construction, the weekly said.

The decision calls for incorporating production of civilian goods by enterprises under the four ministries into the overall state planning.

It also urges central departments and local governments to treat these enterprises the same way as their own in the allocation of funds, supply of materials and extension of loans.

For example, production of civilian goods by about 100 enterprises under the Ordnance Industry Ministry has been incorporated with the production planning by seven subdivisions of the State Machine-Building Industry Commission.

Work is also under way to retool defense industry enterprises for producing civilian goods under the overall state planning, the weekly said.

The first batch of projects in this field began in 1986, and the second batch is being arranged.

Scientific Theory Urged for Modernizing Military
OW142135 Beijing XINHUA in English 1510 GMT 14 Mar 88

[Text] [no city as received] March 14 (XINHUA)—Advanced scientific military theory is the precursor of the Army's modernization.

And it is just as important to enrich and develop it as it is to develop science and technology in industry, Chi Haotian, chief of General Staff of the People's Liberation Army said today at a ceremony to mark the 30th anniversary of the Academy of Military Science.

Chi urged staff of the academy to develop principles in line with the national defense development and Army construction.

Also present at the ceremony were veterans and senior Army officers Li Desheng, Song Shilun, Zhang Aiping, Liao Hanshen and Hong Xuezhi.

State Council Bans Extortion Against Army Units
OW150831 Beijing XINHUA Domestic Service in Chinese 0627 GMT 8 Mar 88

[Text] Beijing, 8 Mar (XINHUA)—The General Office of the State Council recently issued a circular resolutely banning the unreasonable demands for fees from the military.

The circular says: In recent years, military units have reported on many occasions that some localities and departments have, under one pretext or another, imposed unreasonable demands for fees from them and, when their demands are not met, deliberately created obstacles and made things difficult for them. The military units have been hard-pressed to cope with these difficulties. The CPC Central Committee and State Council take this problem seriously. After reading a 10 February JIEFANGJUN BAO report entitled: "A Certain Unit Is Allocated Financial Quotas Totaling 4.29 Million Yuan in a Year, a Burden Which It Finds Unable To Bear" and an editor's note entitled: "Please Be Understanding of the Army's Difficulties," Comrade Zhao Ziyang issued important instructions: "Comrades Li Peng, Yilin: I recommend that the State Council transmit this report and editor's note to the various localities and make an earnest investigation of and redress the problem of unreasonable charges. This should be done as part of the activities around the Spring Festival to support the Army. Owing to financial difficulties, the state has not increased military expenditures for several years. The PLA has resolutely followed Chairman Deng's instruction on having patience, subordinating itself to national interests and refraining from complaining or asking more money from the state. The localities are really in the wrong if they are not understanding of the Army's difficulties and continue to impose unreasonable charges on them under one pretext or another. Please act at your discretion." On 14 February, Comrade Li Peng also instructed: "I fully agree with Comrade Ziyang's important instruction. Comrade Junsheng, please transmit it to the various provinces, regions, and municipalities for implementation."

The circular says: The CPC Central Committee and the State Council have issued several injunctions on the problem of imposing unreasonable charges on the military. On 27 July 1985, the CPC Central Committee and the State Council issued a "Circular on Respecting and Caring for the Military and Actively Supporting Reform and Construction in the Military." On 10 October 1985 the State Council issued a "Circular on Resolutely Banning Unjustifiable Allocation of Financial Quotas to Military Units," which explicitly pointed out that: "Government departments at all levels, mass organizations, industrial and mining enterprises, commercial units, schools, and other units are not allowed to impose unreasonable charges on military units or personnel." All in all, the localities and departments have done a good job in implementing these circulars. However,

some localities and departments have disobeyed orders and defied prohibitions by continuing to impose unreasonable charges on the military and the situation is tending to grow.

The circular points out: Military spending is specifically used for army building. Under the current circumstances of inadequate military expenditure, imposition of unreasonable charges not only increases the military's burden but will certainly adversely affect normal army building and Army-people relations. For this reason, it is necessary to reiterate: 1) Government departments at all levels, mass organizations, industrial and mining enterprises, commercial units, schools, and other units are not allowed to impose unreasonable charges on military units or personnel. 2) Localities should consider the needs of local military units in drawing up and implementing municipal construction plans and in building urban public facilities. However, they are not allowed to make unreasonable demands for fees from military units. 3) No local unit or department is allowed to claim or occupy, without authorization, military lands, residential property, and other facilities. Units or individuals who occupy military lands, residential property, facilities, and other military property shall be dealt with severely. 4) Military vehicles do not have to pay tolls for bridges, tunnels, and highways, whether they are built with state or locally-raised funds.

The circular demands that the various localities and departments conduct an earnest investigation upon receipt of this circular. Those who are guilty of recklessly extorting money in violations of instructions of the higher authorities shall be investigated. Military units which have been unjustifiably allocated financial quotas should, without exception, refuse to pay them and report them to higher levels. Relevant authorities should severely deal with any locality or department which is found to use coercion against or otherwise create difficulties for those units who refuse to pay. They must not tolerate such violations. The various localities and departments should carry out extensive propaganda and education on respecting, caring for, and supporting the People's Army, enhance the people's awareness of national defense, and improve Army-people relations.

'Female Cadres' Forum Held in Beijing
HK120847 Beijing RENMIN RIBAO in Chinese
8 Mar 88 p 3

[Report by Central People's Broadcasting Station reporter Li Renzhu (2621 0088 0031) and RENMIN RIBAO reporter Yuan Jianda (5913 1696 6671): "Forum of Young and Middle-Aged Leading Female Cadres Held in Beijing"]

[Text] Zhao Zongnai, deputy head of the Organization Department of the Central Committee, said on the morning of 7 March that for the past 2 years, there has been a decline in the proportion of female leading cadres at the county and grass-roots levels of some areas, and

this phenomenon should receive much attention. He also pointed out that we should analyze this situation in a practical and realistic way, and according to each situation, we should study specific measures to improve this phenomenon. Moreover, we should not use this phenomenon as a basis for concluding that the political status of female cadres has declined.

Zhao Zongnai uttered these words during the "March 8 Day" forum of female leading cadres, jointly convened by the Organization Department of the CPC Central Committee and the All-China Women's Federation.

The materials provided by the Organization Department indicated that since the 3d Plenary Session of the 11th CPC Central Committee, more and more excellent female cadres have been selected to take up leading posts, and they have been playing an important role. The proportion of women among leading cadres at the provincial and ministerial levels is increasing. The proportion of female comrades who are ministers and deputy ministers in various ministries and commissions has increased from 1 percent in the pre-"Cultural Revolution" period to 5 percent. The number of leading women cadres at the provincial level has increased from 5 percent to 10 percent. In the recent selections of delegates from the 20 provinces, municipalities, and autonomous regions to the next NPC and CPPCC, a number of female cadres took up leading posts at the provincial level.

However, the idea of "looking up to males and down to females" is still held in China. In recruiting staff and workers from society, recruiting students, allocating posts for female university graduates, and selecting female cadres, discrimination against females occasionally occurs. In light of this, Zhao Zongnai hopes that party committees, organizations, and departments at various levels can strengthen their contacts with the Women's Federation, communicate more regularly with it, listen to its opinions, and better carry out the work of training and selecting female cadres.

With the deepening of reform, the competitive mechanism will be gradually introduced to the entire cadre personnel management system. Zhao Zongnai asked female cadres to further strengthen their reform consciousness and competition consciousness, continuously raise their political and industrial quality, further raise their organization and management capability, work hard and strive for progress, make unremitting efforts to improve themselves, and become key elements in various fronts and experts in various professions.

Zhang Guoying, vice president and first secretary of the All-China Women's Federation, also spoke during the forum. She called on society to create conditions for training women to become capable personnel, to propagate the achievements of women through various channels and forms, to provide more opportunities for women to learn and improve themselves, and to lessen

the burden of housework and bringing up children on women. She also asked various levels of the Women's Federation to carry out service work to make women become capable personnel.

Accomplishments of 8 Million Female Cadres

HK120815 Beijing RENMIN RIBAO in Chinese
8 Mar 88 p 1

[Report By Zu Gantong (4809 1626 4827): "China Now Has 8 Million Female Cadres"]

[Text] Over the past few years, our country's female cadres' contingent has been expanding continuously in the process of building the socialist modernization. At present, our country has a total of 8 million female cadres, an increase of 75 percent since the 3rd Plenary Session of the 11th CPC Central Committee. This shows that the quality of the broad masses of women of our country has greatly improved. Moreover, the broad masses of the women of our country are now playing a more and more important role in the practice of reform and opening up to the outside world.

Along with the deepening of the reform of the cadres' system, tens of thousands of female cadres with strong political and professional competence and strong organizational and leadership ability have taken up leading posts at various levels. At present, some 80,000 female cadres have been appointed to leading posts in the party and government at the provincial, prefectural, and county levels; to posts as factory directors or managers of enterprises and undertakings at the county (or department) level; and to posts as university (or college) presidents and school principals. Among the 80,000 female cadres appointed to leading posts at various levels, 40,000 female cadres have been appointed to leading posts at various levels since 1982. In the future, more qualified and competent female cadres will emerge in the practice of reform and opening up to the outside world to undertake the important tasks given to them by the party and the state.

The female cadres on the scientific and technological front have also grown in number. In the scientific and technological contingent of our country, female scientific and technological personnel account for 36.5 percent of the total number of our country's scientific and technological personnel. Moreover, in such fields as mathematics, accounting, statistics, public health, and so on, the proportion of female personnel is much greater than the proportion of male personnel. Thus, the female comrades in these fields are playing a very important role. Female comrades account for 37 percent of the total number of our country's teaching staff, 48 percent of the total number of accounting and statistical staff in our country, and 60 percent of the total number of personnel engaged in the public health work of our country. Our country now has 0.3 million female professors, senior

engineers, accountants, physicians-in-charge, and various other types of professional and technological personnel at the senior and middle levels. These female comrades are working very hard in various fields, making progress in their work, training qualified personnel for our country, and making important contributions to the scientific and technological progress and economic development of our country.

Article on Updating Ideas on Housing

HK110901 Beijing RENMIN RIBAO in Chinese
26 Feb 88 p 5

[Article by Hu Jian (5170 7003): "Housing Reform and Updating Concepts"]

[Text] "How happy and safe the poor people who are shivering with cold would feel even in wind and rain if there were thousands upon thousands of high buildings to shelter them!"

This was an ardent wish of a great Chinese poet more than 1,200 years ago, stemming from his own bitter experiences.

This has also been the people's wish from generation to generation that has not yet been realized. It was originally thought that, after the socialist system was established in our motherland, this problem could be satisfactorily solved. However, for "various reasons," many "poor people shivering with cold" and other people are still sighing for "thousands upon thousands of high buildings!"

The housing problem has become a social problem not to be ignored. It has also focused the people's attention on matters of party style and social atmosphere.

By implementing the old housing system, not only will the housing problem never be solved but also the unhealthy tendencies in this respect can never be curbed.

What is being done then? We are glad to see that reform of the housing system has finally become an important part of China's reform of the economic structure and will soon be carried out in an all-round way.

What are the concrete plans on "housing reform" in various areas? When will they be worked out? When will they be put into effect? When will they be carried out on a trial basis? How will they be carried out step by step? How will the pace be accelerated in implementing the plans? All these are concrete matters concerning the housing reform which will not be and cannot be discussed in this article. What we want to point out is: In reform of the housing system, the concepts should be updated. Once reform is carried out, there will naturally be some obstructions. Apart from the vested interests,

these obstructions will mainly come from people's concepts that do not suit the situation of reform. Therefore, it is also a task for the housing reform to change such concepts.

For example, since housing reform is a part of reform of the economic structure aimed at promoting the socialist commodity economy, I am afraid that on the question of housing, all concepts that are incompatible with or totally unrelated to the commodity economy should be changed.

—Some people always hold that since they are citizens of a socialist country, the state should allot houses to them at a very low rent. How can they pay high rent or pay even more money to buy houses?

This smacks of "socialism," but it is actually a concept of the supply system. In the war years, since materials were in short supply, we had to adopt the supply system. Under this system, everyone who joined the revolution was supplied with daily necessities by the "state," including food, clothes, and housing. This was necessary then. However, since it was implemented for a long time, this kind of military and communist supply system seemed to become the natural pattern of distribution in socialist society. Since the founding of the state almost 40 years ago, housing has continued to be allotted by the "state," and urban residents have only had to pay very low rents. It seemed that this was the only way if we were to say that we were practicing socialism.

People who believe this are unaware that with developing the commodity economy as our general objective, this is no longer an unalterable principle. Since we are developing the commodity economy, houses should certainly be commercialized like other consumer goods. Those who have more money can have more and larger houses, while those who have less money have fewer and smaller houses; those who want to have more and larger houses should spend more money, and those who want to have save money can have fewer and smaller houses. Since houses are commodities, they can be bought with money. In short, if we want to solve the housing problem, we cannot always rely on the "state." If the old concept of relying on the "state" is not changed, there will never be enough "high buildings" to allot. We must break with the old concept and link the commodity economy with housing while disconnecting it from the supply system. Only in this way can reform of the housing system be carried out with fewer difficulties and the consumption in housing be gradually rationalized.

—Some people hold that the area of dwellings should be decided according to the cadre's rank. The higher their rank, the larger and better their houses. This has also been a so-called unalterable principle of socialism, which was long inviolable in the past and has even been strengthened in recent years and has aroused a great sense of grieving among the masses.

If we make a study of this concept in the sphere of commodity economy, we can easily discover the roots of this unalterable principle. As a matter of fact, it is by no means a principle of the socialist commodity economy but a remnant influence of the feudalistic social estate system. Only under feudalism did the people of different social estates have differences in clothing, food, vehicles, and housing. China's feudalistic ideological influences, which have a distant source and a long stream, are especially strong and powerful. In fact, allotting housing according to a cadre's rank is an abnormal outcome mixing both the supply system and the remnant influences of the feudalistic social estate system. It is entirely wrong to regard it as a criterion of the housing system today when the tide of reform is surging forward.

In this respect, there is also a theoretical question that should be clarified. That is, the commodity economy demands monetization in the distribution of consumer goods. Wage scales must differentiate between different jobs and reflect the principles of distribution according to work and of work more, get more; they must be changed in light of the complexity and responsibility of work. However, the consumption of the people of whatever wage scale, including food, clothing, vehicles, housing, study and recreational activities, and labor service, as well as their consumption in matters concerning birth, age, illness, and death, should be made at their own expense rather than being supplied by the state according to the "ranks of cadres" or other standards and in monetary or other forms. For example, on the question of housing, the following point should be clarified if we want to carry out housing reform. It has been promulgated in newspapers that during reform the rent will be raised for above-standard old houses. But what are the base "standards"? If this is done according to the old system—that is, cadres of a certain rank can have a house of more than 100 square meters, cadres of another rank can have a house of nearly 100 square meters, and other cadres can have 50 to 60 square meters—does it mean that their rents will be raised only when the areas of their houses are larger than these standards? Obviously, this does not conform to the development of the commodity economy and monetization in the distribution of consumer goods. Just think, it has been stipulated that many high-ranking cadres can have in their dwelling houses a reception room, a meeting room, an office, a workers' service room, or even an exercise room and a swimming pool. If their rents are to be raised only when the standards of their houses are higher than these, I am afraid that only that part of the rent for an additional bed area will be raised. However, for ordinary people, each of whom has only several square meters of housing, if their rents are to be raised according to this "standard," I am afraid that they will have to pay for all the other areas except for the bed. If "housing reform" is carried out in this way, how can there be any motivating force for reform? Since we are all citizens of a socialist country, we should start from the same base in the commercialization of dwelling houses. For example, we can take the average housing area in the cities as a standard and have

the rent increased according to it. In the future, the housing area for each person will not be decided by his position but by his money. This is not egalitarianism but the starting point of the commodity economy.

—Another matter is to get a house for one's sons, grandsons, or even one's sons-in-laws and their children. Although this has not been openly regarded as a phenomenon of socialism, it has been regarded as being perfectly justified. Has it not been reported that while several generations of people of some families are living in the same small room, some newly built apartments are still vacant because their owners are 2- or 3-year-old children? The children are not cadres. They can be "allotted" new apartments only because their parents or their grandparents are cadres in power. That is why many cadres are trying to get as many houses as possible and why the housing problem is still unsolved though many houses have been built.

If getting a house for one's children is not a feudalistic concept and a concept of the small peasant economy, what then can it be? From Qinshihuang, first emperor of the Qin Dynasty, who wished to pass on his imperial crown to all his descendants from generation to generation, to grandpa Gao, who was always "worrying about" the houses of his sons and grandsons, and to many peasants in our times, whose first wish is also to earn as much money as possible to build houses for their children, a host of facts in Chinese history show that this feudalistic idea has a distant source and a long stream. We also find reflections of this idea in the minds of some communist cadres. Now that we are in an era of vigorously developing the socialist commodity economy, we should resolutely discard this concept of small peasant economy and patriarchal society, which is characterized by "inheriting the property and business" of one's forefathers. The children should try to earn their own living and earn their own houses. If their wages are still low, they should live in small houses for the time being. The parents should encourage their children to support themselves. In some countries, young people stop relying on their parents at the age of 18 and they feel this is an honor. Is this not good? Of course, if some people want to help their children get a house, they can certainly do so. But they should buy them a house with their own money rather than asking the "state" for help through using power and through their network of relations.

On the question of housing, there must be other concepts that do not suit the commodity economy, and such concepts exist in the minds of various people, including those who already have houses, those who are in charge of housing affairs, and perhaps some comrades who are in charge of reforming the housing system. This is not strange. If there are no contradictions in such a great reform, if people feel that the reform has nothing to do with them, it will become senseless and unimportant.

Reform of the housing system is an important event that is closely linked with everyone's interest. If we can really bring the housing problem onto the track of commercialization during reform, we will be able to correctly guide

and regulate consumption, curb the unhealthy tendencies in this sphere, and ease the many complaints people have about it. It needs the efforts of all. Whether the concepts in this respect can be updated is important and our success or failure hinges on it. We should pay great attention to this.

Wan Li Speech on Greening Work
OW130901 Beijing XINHUA Domestic Service
in Chinese 1424 GMT 8 Mar 88

[Text] Beijing, 8 Mar (XINHUA)—Comrade Wan Li's speech at the Seventh Plenary Meeting of the Central Greening Committee (8 March 1988)

Comrades: Comrade Gao Dezhan has just made a report on the situation of the voluntary tree-planting by people throughout the whole country and afforestation work last year and put forward views on greening work for 1988. I fully agree with his good speech. The various localities and departments should implement those requirements in the light of their specific conditions. In their speeches, responsible comrades of the greening committees of the People's Liberation Army in Guangdong Province and Jiangsu Province have introduced their good experience and methods. In short, we made great achievements in greening work last year. Based on the achievements made last year, we should deepen and persist in carrying out the campaign of encouraging people throughout the country to voluntarily plant trees, further improve the work, and obtain new achievements. To realize this goal, I wish to make some suggestions in view of the current situation.

1. Greening our motherland is a basic state policy and we must unswervingly grasp this work.

The Fourth Session of the Fifth National People's Congress passed a "Decision on Unfolding a Campaign To Encourage People of the Whole Country To Plant Trees on a Voluntary Basis." To implement this decision, the State Council formulated the "Methods for Implementing the Campaign To Encourage People of the Whole Country To Plant Trees on a Voluntary Basis." In 1984, the CPC Central Committee and the State Council issued a "Directive on Promoting the Campaign of Greening the Motherland on a Solid Basis." The various provinces, autonomous regions, and municipalities directly under the jurisdiction of the State Council and the various departments all formulated specific policies and rules in this respect. Greening committees have also been established by governments at and above the county level, PLA units at and above the corps level, the various ministries and departments, and many large industrial and mining enterprises. Since leading cadres at various levels have attached great importance to greening work, widely publicized this work, and extensively mobilized the people to plant trees, significant results have been achieved in planting trees on a voluntary basis and afforesting vast lands. We have gained much valuable experience and a number of advanced

units in tree-planting have emerged. The People's Liberation Army has always taken the lead in planting trees on a voluntary basis. The Communist Youth League, trade unions, women's federations, and other mass organizations have all made great efforts in publicizing and organizing greening work according to their respective conditions. The greening activities organized by the CYL Central Committee have whipped up the enthusiasm of hundreds of millions of young people to green the motherland. By planting memorial trees and building memorial forests, people in many localities have improved prevailing habits and customs. Our practice has shown that speeding up the pace of greening our motherland by unfolding the campaign of encouraging people of the whole country to plant trees on a voluntary basis can achieve quick results with little investment. It is indeed a good way which suits the situation in our country and is conducive to promoting the building of material and spiritual civilization.

Nevertheless, the current speed and progress in greening the motherland still cannot keep up with the need of our country's four modernizations and the requirement for improving our country's ecological environment. There continues to be an imbalance in the development of greening work among the various localities, departments, and units. In many places, there have been frequent natural disasters caused by floods, drought, wind, and sand because of inadequate forest protection, soil erosion, and the expansion of sandy areas. This has directly affected agricultural production, the national economy, and the people's livelihood. Therefore, considering the overall situation, our future tasks in afforesting and greening the country are still very arduous.

China's already limited wooded areas have been diminishing, presenting us with a grim situation in forest reserves. According to a forest reserves inventory conducted during the Fifth 5-Year Plan, the country's total afforested area decreased by nearly 100 million mu during the period of the Fourth 5-Year Plan, a decrease from 12.7 to 12 percent of the nation's territory. In 1985, a total of 398 million cubic meters of timber reserves was consumed, which was about 100 million cubic meters more than the annual growth volume. If we continue to fell more trees than we grow, the consequences will be dreadful. Along with the development of the national economy, there will be increased demand for timber, thus further straining supply. To alleviate the shortage, the state will have to spend a large amount of foreign exchange to import timber. Therefore, it is necessary to repeatedly stress the vital importance of building our forest reserves for national construction and the people's everyday life.

Forests constitute the main part of the land ecology, and the fundamental way to improve the ecology is to plant trees and grass to increase the green area. Unless we do a good job in greening work, we will have no sound ecological environment to carry out the modernization drive. Therefore, the central authorities regard afforestation as a basic national

policy. Leaders at all levels, all trades and professions, and all departments and units must proceed from the overall interests of national construction, social progress, and human survival and place greening work as an important item on their agenda, increase their sense of urgency and responsibility, overcome the slack mood and fear of hardship, and make relentless efforts to ensure the success of this work. China's territory consists mostly of mountains, hilly areas, and highlands; and many mountains and a vast area suitable for afforestation have so far remained barren. In a populous country like ours, there is abundant manpower in the form of its 1 billion people, and there is great potential for utilizing the surplus labor force in rural areas to develop forestry. Comrade Xiaoping said as early as in 1980: "To afforest and plant more trees in the motherland is a great undertaking for building socialism which will benefit our future generations and must be carried out for 20, 100, or even 1,000 years." It is necessary to thoroughly understand and earnestly implement this important instruction in carrying out the all-people's voluntary tree planting campaign in a penetrating, down-to-the-earth, and sustained manner.

2. It is necessary to deepen reform and step up management in accelerating the process of afforesting our national land.

The 13th CPC National Congress report pointed out that reform is the only way to rejuvenate China. In deepening reform, we must ensure the sound progress of the all people's-voluntary tree planting campaign and greening work and increase the quantity and improve the quality of trees planted by the people by encouraging all forms of lateral cooperation in greening work so as to accelerate afforestation. In other words, it is necessary to carry out intensive operations and scientific supervision, and stress efficiency so that the work can be carried out in a scientific, standard, and systematic manner. At present, efforts should be concentrated on the work in the following areas:

(1) It is necessary to establish a strict system for inspection and statistics to be reported to higher authorities.

According to Article 9 of the State Council's Regulations: As far as all-people's voluntary tree planting activities are concerned, all units must conduct an annual examination and accurately report the work completed to higher authorities. Organization leaders who conduct the inspection should examine the work on the basis of self-examination by each basic unit, with a sample examination done by units at the next higher level, or on the basis of combining self-examination with sample examination. The criteria for examination should include mainly the quantity and quality of trees planted, as well as the proportion of trees that have survived and have been conserved. Specific rules for the inspection should be based on the actual conditions of each village,

township, town, department, or unit. Results of the inspection should be accurately reported to higher authorities, and be recorded in the files of voluntary tree planting activities.

(2) Raise funds through diversified channels for greening.

To promote voluntary tree planting, a certain amount of funds is needed. In the past few years, the various localities have accumulated much experience in raising funds for greening. The methods used by Guangdong, Jiangsu, and other provinces to raise greening funds through diversified channels are all very good. These methods should be adopted by other localities in accordance with their actual local conditions. Finance departments at all levels should actively support the all-people's voluntary tree planting and greening work by making well planned arrangements with regard to funds. Coal and paper industries should use collected afforestation fees to build tree farms exclusively for their own use. Water conservancy and electric power, and highway and railway departments should all set aside a certain portion of their income for greening. Tourism departments, too, should contribute some funds for use in greening scenic spots and historical sites. All localities should formulate regulations for the management of greening funds in order to manage and use the funds well. Finance departments and banks should exercise supervision.

(3) Strictly implement the relevant policies, laws and regulations and effectively strengthen management.

To consolidate greening achievements and constantly expand the greening area, it is necessary to strengthen management. This is a very important experience. In recent years, China has promulgated some important laws and regulations, including the "Forestry Law," "Grasslands Law," and "Environment Protection Law." Pertinent detailed rules and regulations for the implementation of these laws and specific provisions have also been formulated by many provinces and autonomous regions. These laws and regulations all clearly spell out the provisions governing the protection of forests, grasslands, and the environment. Efforts should be made to publicize them until every single household is familiar with them and appropriately implements them. All cases of unlawful damage to forests, grasslands, and vegetation should be handled sternly, seeing to it that all laws are observed and strictly enforced. Any unit or individual that fails to fulfill the tree planting obligation without cause should be subjected to criticism and education and required to make up the obligated tree planting or be given punishment. All localities should arouse the people and adopt measures in accordance with local conditions to establish and perfect a protection system, making sure that responsibilities are duly assigned and measures are implemented. Acts sealed by local people have played a very good part in the protection of forests, grasslands, and vegetation. All localities should seriously sum up

experience in this respect to popularize them and combine the implementation of laws and regulations with the implementation of local pacts. At present, there are still frequent instances in some localities of indiscriminate felling of trees and unauthorized use and damaging of vegetation areas. This calls for close attention. Document No 20 (1987) of the central authorities must be earnestly carried out to resolutely stop the practice of indiscriminate tree felling and strictly control consumption of forestry resources. The quotas set for tree logging in forests and the "single account" logging plan must be observed and no transgression is permitted. All tree logging and transport and marketing of tree logs must be done with a permit. Close attention is called to fire prevention for forests and grasslands and the prevention and control of forest pests and diseases. Effective measures should be taken to do a good job in this respect.

(4) Practice intensive management.

Shifting the emphasis from extensive to intensive management is the economic development strategy put forward by the 13th National CPC Congress. At present, forestry continues to maintain its traditional pattern of extensive management. Thus, intensive management should be the orientation and strategy for the development of forestry. We should gradually practice intensive and scientific management and stress practical results in forestry development and in the all-people voluntary tree-planting campaign. Making the country green is a great undertaking which should be carried on from generation to generation. We should not do superficial work, or stress only the number of trees planted without considering their survival rate. Statistics shows that many localities have planted a large number of trees in the past, but not many of those trees have survived. The main reason for their failure is extensive and relaxed management. To ensure intensive management of the all-people voluntary tree-planting campaign, we should work comprehensively and systematically and pay attention to overall planning, scientific methods of tree-planting and management, and check results. In short, we should rely on technical progress and practice intensive management in the course of cultivating, maintaining, and using forest resources.

3. It is necessary to enhance understanding and definitely strengthen leadership over tree-planting work.

Facts of the past many years prove that localities where the all-people tree-planting campaign is constantly being promoted and tree-planting work is done well are invariably localities where cadres and the people clearly understand the importance of tree-planting and the principal leading comrades put tree-planting work as an important item on their daily agenda and take the lead in doing this work. At present, some localities do not quite understand the importance of tree-planting work, or fail to pay sufficient attention to it. Moreover, they are in a slack mood and fear difficulties. Such an attitude must be earnestly corrected. Therefore, they should be urged to

pay attention to the importance of the all-people voluntary tree-planting campaign. Party and government organizations at all levels should regard the voluntary tree-planting campaign and tree-planting work as an important task, as work which accords with the NPC resolution and the implementing procedures issued by the State Council; they should organize citizens who meet the prescribed requirements to fulfil their duty of planting three to five trees each annually. Principal leading comrades should personally take a hand in the tree-planting work, make arrangements for it, and supervise it. County-level leaders in particular should repeatedly and thoroughly publicize the importance of the voluntary tree-planting campaign among peasants so as to make them realize that it is their duty to participate in tree-planting as well as one of the important ways to make the rural areas economically prosperous. We should integrate the social benefits of the voluntary tree-planting campaign with the peasants' vital interests, make rational arrangements for building timber forests, shelter forests, economic forests, and fuel forests, and use the income from fast-growing trees to support the cultivation of slow-growing trees. The various localities may organize their cadres and people to plant trees in state forest farms or rural collective forest farms according to local conditions. They may establish permanent bases for voluntary tree-planting on barren hill slopes or waste land near villages, or participate in greening or afforestation projects sponsored by the state or the collective. They may also send voluntary laborers to take part in joint afforestation projects.

The voluntary tree-planting campaign and greening work in cities should be further stepped up in both depth and scope. We should accelerate the greening of coastal open cities and medium-sized and small cities and towns. While ensuring successful tree-planting in selected districts, we should also accelerate the greening of housing areas, factory districts, and small streets and alleys. We should see to it that trees are planted by all organizations, neighborhoods, and courtyards, display a spirit of building the country through thrift and hard work, treasure even the slightest piece of land, plant trees wherever possible, and strive to enlarge the afforested area.

Greening work should be taken as an important criterion in evaluating cadre performance. The instruction on greening work issued by the CPC Central Committee and the State Council in 1984 and Document No 20 of 1987 of the CPC Central Committee emphasize the necessity of putting the responsibility of planting trees and grass to make the country green and of protecting and developing forest resources on the shoulders of leading cadres of party committees, governments, and other organizations at all levels. We should institute and improve the system of holding leading cadres responsible for the attainment of tree-planting objectives during their tenure. We should clearly delineate the responsibility at various levels and practice a system of contracted responsibility. The leading cadres at various levels

should personally take a hand in one or more greening projects so as to promote the greening work as a whole. All departments and organizations should also practice the system of contracted responsibility in greening work. The Central Greening Committee will organize an inspection of leading cadres at and above the county level with regard to the attainment of tree-planting objectives.

To promote the all-people voluntary tree-planting campaign and to make the country green is our long-term task, and our responsibility is heavy. The greening committees at all levels should foster the mentality of fighting a protracted war and be persistent in doing greening work. Our practice in the past few years proves that it is better to let the greening committees exercise unified leadership over local voluntary tree-planting and greening work. Therefore, we should pay attention to strengthening the greening committees at all levels. The offices of the greening committees at all levels, as the working bodies of these committees, should be staffed with capable specialized personnel to do their day-to-day work well. The governments at all levels should make proper arrangements for the staffing and funding of these offices.

Spring tree and grass planting is gradually being launched from south to north across the country. All localities should earnestly convey the guidelines of this meeting to the people, seize the good opportunity to mobilize the masses to plant trees and grass in accordance with the overall plans and demands of this year's greening work, and make new achievements this year.

Ismail Amat Addresses Nationalities Meeting
HK151122 Beijing ZHONGGUO XINWEN SHE
in Chinese 1158 GMT 7 Mar 88

[By correspondent Wei Xiang [0251 5046]]

[Text] Beijing, 7 Mar (ZHONGGUO XINWEN SHE)—Strengthening unity among nationalities and defending the unification of the motherland is a matter of prime importance in China's nationality work, said Ismail Amat, minister in charge of the State Nationalities Affairs Commission, today.

Ismail Amat said this at the National Conference of Directors of Nationalities Affairs Committees held today.

Ismail Amat said: China's minority nationalities enjoy good relations among themselves. Unity among nationalities continues to consolidate—this is the fundamental, principal aspect. However, the development of the commodity economy has given rise to some contradictions and frictions among minority nationalities regarding economic benefits and social customs. At the same time, some vestiges in the form of lack of mutual understanding between nationalities left behind from history cannot

be wiped away quickly. In addition, because legal education for and a constant, deep-going policy toward the minority nationalities are lacking, incidents of violating the nationalities policy, disrespecting the customs of the minority nationalities, and even hurting the feelings of minority nationalities have often occurred. Splittists of minority nationalities are still engaged in troublemaking and sabotage activities at present, Ismail Amat pointed out.

The question of cementing unity among nationalities should never be taken lightly, and this is an important, long-term task for the State Nationalities Affairs Commission, Ismail Amat stressed.

Referring to the economic question in minority nationality areas, Ismail Amat said: Viewing from the angle of development of productive forces, we can only say that a considerably large number of the minority nationalities have reached the "low level" of the initial stage of socialism.

Accordingly, Ismail Amat pointed out: The minority nationality areas should take China's development policy of participating in the great international circle as an opportunity to promote their economic development and accelerate their development and construction. Taking advantage of the development of the export-oriented economy in coastal areas, they should make the best use of their natural resources and raw material supplies to develop the processing industry, to fill the gaps in the domestic market, and to open the international market.

Ismail Amat said: It is necessary to use the high tide of the commodity economy as a means to force open the door to the minority nationality areas and to change the secluded conditions of these areas. Minority nationality areas on the land borders should, acting on the different policies toward foreign countries, actively and cautiously carry out economic and technological exchange and cooperation with foreign countries and vigorously develop border trade as well as the local market for inhabitants on both sides of the border.

Ismail Amat added: In the course of opening up, active steps should be taken to guard against infiltration by reactionary forces from abroad and the erosion by decadent bourgeois ideas.

National S&T Meeting Outlines Tasks
OW150817 Beijing XINHUA Domestic Service
in Chinese 1139 GMT 9 Mar 88

[By reporters Zhang Jimin and Zhuo Peirong]

[Text] Beijing, 9 Mar (XINHUA)—The ongoing National Conference on Science and Technology has drawn up a plan for present and future scientific and technological work. The conference stressed that scientific and technological work should focus on the central task of economic construction and urged scientific and

technological circles to arrange their priorities with the needs of national economic and social development today, this century, and the next century in mind.

The CPC Central Committee and State Council recently decided to implement a strategy for economic development in the coastal areas. This is a major event affecting our nation's economic development. The conference held that one of the central tasks of scientific and technological work today is to help the coastal areas develop a export-oriented economy. Research institutes, institutes of higher learning, and large and medium-sized enterprises all must adapt their work to the needs of the coastal areas and concentrate on developing products that are readily marketable in the world market. At the same time, we should encourage scientific and technological units and personnel working in the coastal areas to help develop an export-oriented economy.

Second, it is necessary to strengthen the technical innovations of traditional industries; promote the modernization of production technology and equipment through scientific and technological progress; bring about marked improvements in the technologies of agriculture, light industry, energy, raw materials, transportation, communications, machinery, electronics, and textile industries; attain a new level in terms of economic results; and see to it that our major industrial index reaches the level of the late 70s and early 80s of the developed nations. To achieve this, we must introduce the mechanisms of a commodity economy, enhance the capacity of enterprises for transformation and development, and strengthen their ability to absorb and develop new technology.

Third, speed up the implementation of a high-technology development plan and promote the development of new and high-technology industries. It is necessary to adopt the policy of "limiting the target area and stressing the priority projects;" actively keep up to date; and work hard to achieve some technological breakthroughs in the fields of biotechnology, aerospace, information, lasers, automation, energy, manufacture of new materials, and so forth. Efforts should be made in the coastal areas to develop new production technology for production of export goods. Some major cities may develop high-technology or new technology development zones on a experimental basis.

Fourth, push the "spark plan" into a new stage and make it serve the rural economy. In coastal areas and major cities where the economy is relatively developed, efforts should be made to gradually raise the technical level of "spark plan" demonstration projects, set up a number of "spark plan" technology-intensive zones, and help export-oriented rural enterprises. In central and western China, it is necessary to concentrate on developing resources industries and expanding utilization of natural resources.

Fifth, continue to support basic research and enhance our capacity for sustained scientific and technological progress. With our national conditions and capacity in mind, we should target those areas which have good prospects for application, are suitable to the rich resources and other natural characteristics of China where we have already some foundation and may well advance into the world's forefront. We should further introduce the competition mechanism in basic research and institute more vigorous management and development styles.

Lastly, strengthen legislation and policy research with regard to science and technology and guarantee reform and scientific and technological development with policy and law. It is necessary to enhance research, work out policy measures that are suitable to our national conditions as well as reform and opening up; study, in a timely manner, the new situations that may crop up in the course of reform; and gradually codify, through legislative procedure, the correct experiences we have drawn from practice.

RENMIN RIBAO Views Legal Entity System
HK150533 Beijing RENMIN RIBAO in Chinese
7 Mar 88 p 5

[Article by Du Feijin (2629 7378 6651), Li Su (26215126), and Hong Xiaoyuan (3163 1420 3293): "Perfect the Legal Entity System and Devise a Pattern for Separating Ownership and Management"]

[Text] In the relevant economic legislation since the 3d Plenary Session of the 11th CPC Central Committee it has been clearly stipulated many times that "an enterprise should qualify as a legal entity." Our "General Rules Related to Civil Law" also has a special chapter devoted to stipulations about the legal entity. Today, almost no one questions whether our publicly owned enterprises (including enterprises owned by the whole people and collectively owned ones) have the status of a legal entity. But this does not mean that the legal entity system concerning our publicly owned enterprises has reached perfection. This is especially proved by a series of new problems that have surfaced since the separation of ownership and management. Therefore, the perfection of the legal entity system and standardization of the pattern for separation of ownership and management are not only needs in deepening enterprise reform but also in continuously perfecting enterprise reform. We believe that the "Law on Industrial Enterprises Owned by the Whole People" (hereinafter called Enterprise Law for short) should actively respond to this, providing ample room for further practice. This article will go into the initial understanding.

Serious Distortions Exist in Legal Relations About the Contract and Leasing Systems as Legal Patterns for Realizing Separation of Ownership and Management in Practice [subhead]

According to relevant legal provisions so-called ownership of property means that the owner enjoys the right to possess, use, reap a yield on, and dispose of his own property. Separation of ownership and management means that the four rights—possession, use, reaping yields, and disposition—as a part of ownership are separated from the owner and used in a transfer by the non-owner, or the operator. Separation of ownership and management, as based on the separated functions in practice, can be summed up as three different legal patterns of separation—the contract, lease, and company systems. Of these, the leasing system exceeds the contract system in the degree of separation. The lessee through a lease agreement can obtain the complete right of possession and the right of use and part of the right to reap yields. The contractor through a contract agreement generally can only obtain the full right of possession, an incomplete right of use, and part of the right to reap yields. The company system represents the supreme form of separation of ownership and management. It is the separation of the investor and the operator through the medium of a legal entity. Once a prospective investor has a shareholding he is relegated to the position of a shareholder as a member of the company. His right of ownership of property is transformed into the right of a member of a society within the company organizationally—the right of a shareholder—and transferred completely to the company legal entity as four rights embodied in ownership: Possession, use, reaping yields, and disposition. As far as the nature of separation is concerned, the contract system and the leasing system both represent separation of ownership and management. The company system falls into the category of indirect separation realized through two separations. That is, the separation of the investor and the company legal entity, and the separation of the company legal entity and the operator.

Our existing publicly owned enterprises, whether owned by the whole people or collectively owned, participate in civil activities as legal entities. But, due to the imperfect legal entity system and the yet to appear company law, they all cannot introduce two separations in regard to ownership and management by acting in accordance with the relevant company system rules. Thus, there has currently been a phenomenon of serious distortion about the legal relations that arise from contracting and leasing in practice. For example, as far as legal relations are concerned subjectively, the contract dispenser and the lessor are not enterprise legal entities. Instead, they represent the organ in charge of enterprises, which concentrates state administrative and financial power. The contractors and lessees generally are not legal entities or individual industrial and commercial operators that have the qualifications for operation. Instead, they are enterprise workers and even enterprise workers from outside. After their tender is accepted, they become the "replacement" representatives of enterprise legal entities. Thus the result is that the investor and the operator "extrude" the legal entity, turning three sides into two as the main body involved. Two separations have turned

into one thus distorting the enterprise legal entity system. In addition, as far as the content of legal relations is concerned, the contractor, the lessee, and the company legal entity respectively should originally obtain: One and a half of the four rights contained in ownership of enterprise property (the contractor obtaining the full right of possession and the incomplete right of use); two and a half of the rights (the lessee obtaining the full right of possession and the right of use and also part of the right to reap yields); and all four rights (the company legal entity obtaining all of the rights—possession, use, reaping yields, and disposition). But due to the chaos arising in subjective legal relations the enterprise legal entity fails to obtain an independent position and, even less, the complete ownership of enterprise property. The contractor and the lessee also do not share rights with the enterprise legal entity and instead, sign contracts directly with the department in charge of an enterprise. Therefore, the two kinds of relations between the state (the lessor) and the enterprise legal entity, and between the enterprise legal entity and the contractor or the lessee are lumped together. The same agreement is used to solve two kinds of relations of a different nature thus making any kind of relations incapable of being fundamentally smoothed out. Take the relations between the state and the enterprise for example. The transformation of the state enterprise into a company legal entity in itself calls for the thorough separation of state administrative and financial power. The state investment company is to hold state-owned shareholdings, with no intervention in the legitimate operating activities of a company legal entity after establishment of the board of directors. The enterprise will handle matters of production and operation independently according to the state law. However, as the state administrative organ gets involved in contracting out or leasing an enterprise to others, this is tantamount to actually negating the independent position of the enterprise legal entity. It also means no fundamental elimination of intervention by state administrative power in enterprise operators. There is only a trend toward weakening such intervention within the specified time limit of the contract, or the lease that provides relatively favorable terms. Also, as far as objective legal relations are concerned, the object of contracting relations should be the contractor's action in fulfilling an agreement entered into. The object of leasing relations and the legal relations of company operation should be enterprise property. What the lessee obtains is what is being leased. What the company legal entity obtains from the investor is what is possessed. But chaos has arisen in contracting and leasing in current practice as far as objective legal relations are concerned. The object of leasing relations also becomes the action of fulfilling an agreement. Thus, such a leasing system actually is only a contract system carried out by relying on the leasing mechanism.

It can be seen that distortions about the contract system and the leasing system as important legal patterns in realizing the separation of ownership and management are of quite serious proportions in practice at present. To

allow the healthy and smooth development of the separation of ownership and management in practice our enterprise law urgently calls for effectively standardizing the contracting and leasing systems in legal form.

Establishment of the Position of the Contractor Dispenser or Lessor of an Enterprise Legal Entity Is the Central Link in Standardizing the Contract and Leasing Systems [subhead]

The so-called establishment of the position of the contract dispenser or the lessor of an enterprise legal entity means restoring the original features of the enterprise legal entity, or using the theory about two separations involving the investor and the operator as a guide to the realization of separation of ownership and management. The independent legal position of the enterprise legal entity must be established, with a legal entity organ allowed to exercise enterprise property rights and grant contracts or leases to the operators. The legal entity can become a linking medium between the investor and the operator. At present the contract and leasing systems as legal patterns in realizing the separation of ownership and management in practice have produced a tremendous impact on the old system and injected great vitality into enterprises. But when applied to solve the existing defects in the system of ownership by the whole people, they can generally only bring about the solution of some of the problems. It often happens also that everything cannot be taken care of at the same time. Some other contradictions are even exacerbated. The establishment of the independent position of the enterprise legal entity with the legal entity organ existing independently to undertake the granting of contracts or leases will provide a clear-cut and effective standard for the contract and leasing systems in practice, thus giving an overall boost to thorough enterprise system reform. Concretely speaking, its positive effect finds expression in the following fields:

First, the independent existence of the enterprise legal entity will greatly accelerate the process of understanding the matter of property rights. The independent existence of the organized body as the legal entity calls for affirmation of the position of its member (the investor) and the shares of rights of general members of society. The legal entity organ, after contracting out or leasing enterprise property to others, can concentrate on smoothing out relations between the legal entity and the members within it. The right of enterprise property is thus made clear.

Second, the independent existence of an enterprise legal entity will weaken intervention by state administrative power. With the state administrative organ involved in giving out contracts and leases, this is a once and for all restriction on administrative intervention. However, it is still a kind of direct intervention. Thus the first separation between the state as the investor and the enterprise legal entity also no longer exists. As far as the operator is concerned the potential threat or factor of a

second intervention exists everywhere. For the legal entity organ to be the medium can thoroughly change this situation. Through two separations involving the state administrative organ and the contractor or the lessee, the state administrative organ's intervention in an operation can be indirectly made, thus greatly strengthening administrative intervention forces.

The independent existence of the enterprise legal entity will simplify procedures for contracting and leasing. Currently, as far as contracting and leasing in practice are concerned, the administrative department in charge of awarding contracts and leases often has many enterprises under them. It cannot possibly have a very clear understanding of the actual conditions in enterprises under it. Therefore, in the concrete process of contracting and leasing the procedures involved are often complicated, work efficiency is very low, and shocking waste is caused. On the contrary, with the legal entity organ responsible for contracting or leasing, so long as the relevant department formulates unified regulations, such a situation can be changed.

Fourth, the independent existence of the enterprise legal entity can make for an emphasis on the departmental interests of an enterprise. The subjects involved in contracts and leases are generally regular persons (individuals, partners, and full members). Their interests are different from those of legal entities and there must be a differentiation. The legal entity organ contracting out or leasing enterprises to others must first stipulate, for the interests of three sides, through a contract: State taxes, retained profits for relevant enterprises, and earnings for the contractor or the lessee. Retained enterprise profits are divided into three parts. The part devoted to the bonus fund should be distributed by the contractor or lessee according to the amount of work done. The part devoted to the welfare fund should be handled by the workers congress. The part devoted to the enterprise accumulation fund should be handled by the legal entity organ. An enterprise's past debts may be paid out of such money. Whether the balance is to be reinvested should be decided upon by the legal entity organ and the contractor, or the lessee through consultation.

Fifth, the independent existence of the enterprise legal entity will stimulate an enterprise to lift itself out of an isolated state. After an enterprise is contracted out or leased, the legal entity organ still exists independently. The enterprise can still absorb outside investments, or use rent received (or the profits handed over by the contractor) to make outside investments. The open state of the enterprise makes possible horizontal circulation as an important factor in production.

Sixth, the independent existence of the enterprise legal entity will stimulate the economic operator to better fulfill the contract and leasing agreements. The legal entity organ plays a dual role. On the one hand it is executing the will of an enterprise member, and on the other hand it is also the representative of the enterprise's

departmental interests. With the legal entity organ awarding contracts or leases there will be the dual restraints of three-sided rights and interests as main bodies. This makes the actions of the operator more rational. For example, with a contract (lease) agreement signed no one is free to intervene in the operating activities of the operator, but the legal entity organ has the right to supervise the contractor or lessee in their fulfillment of the agreement. These restraints from inside an enterprise will be more effective than supervision from the state administrative organ.

Seventh, the independent existence of the enterprise legal entity will help in smoothing out relations between the operator and the enterprise workers. Enterprise workers are the masters of an enterprise, including enterprises owned by the whole people and collectively owned enterprises. As members of a legal entity they should decide on concrete methods of enterprise operation (including contracting, leasing, and so forth) through a legal entity organ. But once the contractor or the lessee acquires the right of necessary operational personnel control, how workers dismissed for various reasons assert their role as masters and how to exercise the rights of members of a legal entity, constitute a problem worthy of note. We believe that the independent existence of the enterprise legal entity can enable the operator and workers to find a rational median point. Concretely speaking, the contract (lease) agreement is signed by the legal entity organ on behalf of all members (including enterprise workers). It should reflect in an overall way the multiple interests of its members. Vesting the operator with the right to dismiss workers is prompted by the general interests of all members. Meanwhile, to uphold enterprise workers' legitimate rights and interests, a special fund may also be set up to keep a dismissed worker internally on low pay, as he waits for employment. If workers themselves like, they may be allowed to automatically give up the rights as society members of the enterprise and circulate in a switchover to other enterprises. Thus, a socialist pattern of labor circulation will be created on the basis of maintaining workers' individual rights and interests.

From this, it can be seen that the key to whether the contracting system and the leasing system as legal patterns in realizing the separation of ownership and management can be effectively standardized in practice, lies in whether the legal entity system involving enterprises owned by the whole people is perfect. How can we perfect the legal entity system involving our enterprises owned by the whole people? In my opinion, from a relatively long-term point of view the creation of conditions for gradually introducing the shareholding system in enterprises owned by the whole people, or the introduction of a modern shareholding system, may be a relatively good idea to choose in a general transformation of our enterprises owned by the whole people along the same lines as companies. The transformation of enterprises owned by the whole people along company lines can thoroughly change the position of enterprises as

appendages to administrative organs, and put enterprise interests on an independent basis. It can also lift enterprises owned by the whole people out of a state of isolation, enabling the enterprise system to gradually open up and stimulate improvement in the rational deployment and structuring of resources. It can change the traditional pattern of "officials operating enterprises" and stimulate the formation of a class of specialized operators, thus bringing about the realization of scientific enterprise management. Therefore, the "Enterprise Law" should, on the basis of the spirit of deepening the enterprise reform defined by the 13th party congress, provide clear-cut stipulations for the shareholding system to be tentatively applied to enterprises owned by the whole people. This will provide a legal basis for the transformation of enterprises owned by the whole people along company lines and then perfection of the enterprise legal entity system.

Trade Deficit for January, February Recorded
OW141932 Beijing XINHUA in English 1633 GMT
14 Mar 88

[Text] Beijing, March 14 (XINHUA)—China recorded a trade deficit of 103 million U.S. dollars over the first two months this year despite impressive gains in exports.

Officials from the General Customs Administration told XINHUA today imports and exports totalled 10.924 billion U.S. dollars, up 18 percent over the same period last year.

Exports were worth 5.41 billion U.S. dollars, 26 percent more than the first two months last year, while imports grew by 11 percent to 5.513 billion dollars.

Analysts here blamed the deficit on February's trade when imports overshadowed exports by 428 million U.S. dollars on a total trade of 5.88 billion dollars.

In January the total trade was 5.045 billion U.S. dollars with exports exceeding imports by 325 million U.S. dollars.

Analysts also attributed the unfavorable balance to increases in overseas donations, supplied materials for processing, and imported equipment and goods by foreign-funded enterprises as part of their investment.

Excluding these items, exports over the two months totalled 4.726 billion U.S. dollars and exceeded the 4.392 billion U.S. dollar worth of imports, leaving a surplus of 334 million U.S. dollars.

Export commodities which had earnings of more than 20 million U.S. dollars in February included aquatic products, grain, vegetables, canned food, coal, cotton, crude and refined oil, cotton yarn and cloth, polyester fiber, silk, carpets, manual and machinery tools, garments and shoes.

In January tea was also on the list.

Import commodities which cost the country more than 20 million U.S. dollars each included grain, sugar, natural rubber, timber, paper, pulp and paper mould, synthetic fiber, wool, iron ore, refined oil, fertilizer, steel products, copper and copper alloy, machinery, television tubes and automobiles.

Hong Kong topped China's 60 trade partners, with an import-export volume of three billion U.S. dollars.

Japan was in second place with a total trade of 2.2 billion U.S. dollars. Exports were up 34 percent and imports down 10 percent.

China's third largest trade partner, the European Economic Community, did 1.35 billion U.S. dollars worth of business.

The United States was in fourth place with trade of 1.06 billion U.S. dollars.

National Conference on Enterprise Finance Ends
HK151442 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 13 Mar 88

[Text] In his speech at a national conference on industrial and communication enterprises' financial work which concluded yesterday morning in Xiangfan City, Chi Haibin, vice minister of finance, said all state-run industrial and communication enterprises must implement contracted management responsibility systems.

Chi Haibin added: By the end of last year, 77.6 percent of China's large and medium-sized state-run industrial enterprises implemented various types of contracted management responsibility systems. Practice has proved that promoting contracted management responsibility systems is an effective way to resolve poor economic returns at enterprises and to lead enterprises to tap their potential. All areas must be determined to enable all their enterprises to implement contracted management responsibility systems.

Chi Haibin stressed: In formulating plans for contracting out projects, we must study and popularize the experience gained by Handan Prefecture, Hebei Province, lead competitive mechanisms into contracts, be geared to the needs of our society, publicly call for tenders, ensure competition on the basis of equality, select and appoint the best operators, and guard against favoritism and the practice of deciding on operators prior to calling for tenders. Regarding former leaders of enterprises that have not entered bids or have failed to successfully make tenders, there should be no attempt to offer them official posts in other areas, and relevant contractors should arrange proper work for such former leaders.

Shareholding Introduced To Invigorate Factories
*OW150443 Beijing XINHUA in English 1155 GMT
14 Mar 88*

[Text] Beijing, March 14 (XINHUA)—China has introduced the shareholding system in 6,000 factories as a measure to invigorate enterprises, the "ECONOMIC INFORMATION" reported today.

The system is being extended from smaller collective businesses to bigger state-run ones, according to a national symposium on shareholding that closed in Chengdu, capital of Sichuan Province, earlier this month.

Stock exchanges have already been opened in the big cities of Shanghai and Guangzhou, delegates to the symposium said.

They agreed that selling shares has proved to be an effective way to help factories raise money for technological upgrading projects.

For example, 14 large state-run factories in Guangzhou, capital of Guangdong Province, have sold shares worth 20 million yuan—roughly 55 percent of their combined working capital.

Meanwhile, workers in most of these factories have bought extra shares from their personal incomes, helping solve the problem of insufficient funds for construction and curb spending on consumption.

By buying shares in each other, factories with different ownerships have formed competitive enterprise groups, the symposium was told.

Standardization of Township Goods' Quality Urged
*HK150353 Beijing CHINA DAILY in English
15 Mar 88 p 2*

[By staff reporter Qu Yingpu]

[Text] China will speed up standardization of its products to promote export and take its economy into world markets, said Lu Shaozeng, director general of the China Bureau of Standards in Beijing yesterday.

A four-day national meeting on standardization will open in the capital today to discuss how to further achieve this aim.

The meeting is expected to concentrate on how to standardize export products especially those made by the country's township enterprises, Lu said.

China now has more than 15 million township enterprises. But on average there is only one technician in every 160 such firms. Many of them have not even heard of word "standardization," he said.

Lu said many of these enterprises have low production ability, and only about half have production standards to check quality.

Lu said earlier this year his bureau, together with the Ministry of Agriculture, Animal Husbandry and Fisheries, the State Science and Technology Commission and other State departments, set up a leading group to regulate the exchange of standardization information among the township enterprises.

Starting from next month, the group will conduct personnel training for township enterprises, he said.

Enterprises along China's coastline have done a much better job in standardizing their products than inland ones. Some of their products are of world standard, which is why their exports have been increasing so quickly, Lu said.

In Yexian County, Shandong Province, for instance, 75 per cent of its township enterprises make products according to world or State standards.

Lu said the State will also speed up the standardization of trade markets of consumer goods such as food.

Starting from next January, all domestic food products will be required to give the date of production, content and the expiry date, he said.

Yesterday afternoon, Lu met with the European Economic Community officials in charge of standardization to promote co-operation. He said both sides agreed to standardize each other's products and expand information exchange through computers.

Export-Oriented Coastal Areas Making Progress
*OW131124 Beijing XINHUA in English 0723 GMT
13 Mar 88*

[Text] Beijing, March 13 (XINHUA)—Special economic zones, open cities and development regions in coastal China have embarked on the road of developing an export-oriented economy since the country began pursuing the policy of opening to the outside world nine years ago, China's leading newspaper "PEOPLE'S DAILY" (overseas edition) said today.

By absorbing foreign investment, importing latest technology, and undertaking Sino-foreign cooperation, their economic strength have been consolidated.

The four special economic zones—Shenzhen, Zhuhai, Shantou and Xiamen have invested more than 10 billion yuan (about 2.7 billion U.S. dollars). Of the total, most was from banks, domestic and foreign investors and some was raised by themselves.

The zones have signed 3,500 investment contracts with foreign businesses from dozens of countries and regions. Now 1.86 billion U.S. dollars of foreign funds have already been used and 1,300 foreign investment enterprise have gone into operation.

Last year, the industrial output value was 10.05 billion yuan (about 2.7 billion U.S. dollars) in the four zones, nine times the figure in 1979, the year before the establishment of the first such zone. They exported goods worth two billion U.S. dollars to 30 countries and regions. The 1987 industrial and agricultural output value of Guangdong and Fujian Provinces, where the four zones are located, was three times the 1979 figure.

The more than 10,000 factories doing processing business earned a total of 1.6 billion U.S. dollars last year.

Guangdong's export value rose by 2.9 times from 1978, reaching 5.5 billion U.S. dollars last year. Now the province is manufacturing 721 kinds of products according to international technical norms and more than 350 products are well received at international markets.

Since opening to the outside world in 1984, the 14 coastal open cities have signed more than 5,000 contracts with overseas businesses for importing technology and technology upgrading projects and 75 percent of the projects have become operational.

To date, 325 enterprises in the 13 economic and technical development zones of the cities have gone into operation. Their output value have reached 930 million yuan (about 250 million U.S. dollars).

The 1987 export value of the 14 cities went up 78 percent compared with 1984.

Commentator Urges Farmland Reclamation
HK120640 Beijing RENMIN RIBAO in Chinese
7 Mar 88 p 2

[Commentator's article: "Deepen Reform, Develop the Farmland Reclamation Economy"]

[Text] China's reforms have unfolded a new development path for its farmland reclamation undertakings. Today, this huge system consisting of 400 million mu of land, 5 million staff and workers, and a population of 11 million, has appeared on the Chinese economic arena with a completely new outlook.

The situation where losses were incurred for 12 successive years due to various reasons ended before the 3d Plenary Session of the 11th Central Committee. Up to last year, the farmland reclamation system had made a profit for 9 successive years, totaling 6.7 billion yuan. Last year the whole system contributed 4.47 million tons of commodity grain, 180,000 tons of cotton, and 200,000 tons of dried rubber to the state. In large- and medium-sized cities state farms made contributions stabilizing supply and promoting

market prosperity. A number of famous enterprises such as the Guangzhou Baiyunshan Pharmaceutical Factory, the Jaingxi Gongqing [0364 7230] Reclamation and Cultivation Farm, the Tianjin Dynasty Grape Wine Factory, and so on, showed the people the strength of the farmland reclamation economy.

Turning losses into profits is only the first step. However, when the ample resources, advanced technical equipment, and the abundant supplies of manpower and materials in state farms are taken into consideration, we find that their potential and role have not yet been brought into full play. At present, the output volume of crops such as grain is low in some areas of the farmland reclamation system; some shallows, water areas, and uncultivated land have not been developed and used; and there is the phenomenon of extensive cultivation of cultivated land. Moreover, since their reform is not coordinated, and the management mechanism is still not flexible and active, they are still constrained by many external factors. All these factors constrain further development of the farmland reclamation economy and in order to achieve greater success, we should work harder.

With the development of China's economy and the increase in the peoples' living standards, shortages in supplies of agricultural and sideline products have become acute. This problem has resulted from higher requirements and expectations on state farms. It is therefore necessary, as far as possible, for the farmland reclamation system to do a lot more and to make more contributions in this aspect. The success of the first step resulted from implementing the management method of "fixing quotas for revenues and expenditure", by which enterprises have to assume sole responsibility for profits and losses and the practice of enterprises all eating from the state's "big pot" is abolished; removing the united management method, and implementing the method combining agricultural, industrial, and commercial undertakings; achieving a breakthrough in the inherent model for state farms, and establishing the two-tier management system set up on the basis of family farms, and under which large farms contain small farms; and diversifying decisionmaking power. The future development of state farms will still center on reform. We should continue to work hard to strengthen enterprise vigor and to establish and perfect a mechanism which can enable enterprises to have strong conscious development capability and to accept marcoeconomic guidance, giving play to the superiority of large-scale and the initiative of small-scale. Practice proves that the conscious development capability of enterprises (including family farms) is a decisive factor as to whether or not the farmland reclamation system can develop. When the reform is deepened we should pay more attention to this point.

Emancipation of the mind and changes in concepts are the preconditions for reform. The reform during these nine years has broken through many inherent ideologies and concepts. However, some old concepts formed under the product economy over a long period of time will, for a

certain period, still visibly or invisibly constrain our decisions. As in various other industries and undertakings, in order to achieve great breakthroughs in the reform and development of state farms we should continue to liberate our thinking and to change our concepts. We should continue the practice that the unified management model should be abolished, and the path of diversification should also be continued. Moreover, we should really take state-ownership as the precondition, and the size of state farms should depend on the circumstances. Whether the ownership should be public or private should depend on the situation; whether the farms should undertake agricultural or industrial activities should depend on their capability; and a diversified situation should be formed. Only when we have the courage to explore, are bold enough to bring new ideas, and continue to make progress can a new situation in farmland reclamation undertakings be started.

State farms are economic entities that possess many strong points and much superiority. Governments at various levels in the areas where the farms are located and the departments concerned should continue to support them and their reform, and positively coordinate with them in developing a fine external environment. Moreover, the spirit of the "Report on the Questions Concerning Farmland Reclamation Reform" submitted by the Ministry of Agriculture, Animal Husbandry, and Fishery and approved by the CPC Central Committee and the State Council in 1986 should continue to be thoroughly carried out to stabilize the subordinate relationship of state farms. When state farms are developed properly the state and local areas will benefit. State farms should, according to their strength and strong points, take the initiative to serve local villages and cities. They should mutually assist each other, positively cooperate with each other, and develop jointly.

Survey Completed on Illegal Farmland Occupation
OW141922 Beijing XINHUA in English 1616 GMT
14 Mar 88

[Text] Beijing, March 14 (XINHUA)—A survey of squatters and others who occupy farmland illegally has been completed in 17 of China's 29 provinces, municipalities and regions.

The survey began last June with a circular telling local authorities to strengthen land administration.

Since then 28,700 hectares of farmland illegally used for non-farming activity have been returned for farming.

About 9.23 million cases of illegal occupation of farmland have come to the attention of officials; two-thirds have been dealt with and 303 people investigated.

An official in charge of the survey said people are being educated to treasure cultivated land.

Agriculture Faces 'New Challenge'

HK151100 Beijing ZHONGGUO XINWEN SHE
in Chinese 0326 GMT 11 Mar 88

[Roundup: "China's Agriculture Is Facing a New Challenge"]

[Text] Beijing, 11 Mar (ZHONGGUO XINWEN SHE)—Since the beginning of 1988, He Kang, minister of agriculture, animal husbandry, and fishery in charge of agricultural production, has never felt relaxed. Although China's grain output in 1987 reached 400 million tons and increased by 10 million tons over the previous year, it was still lower than the 1984 level, and the grain output failed to reach the state's planned target for 3 consecutive years. In addition, some large and medium-sized cities restored the ration system for the supply of such major non-staple food as meat, eggs, and sugar late last year.

Not long ago, He Kang admitted at a conference that the main problem in China's agriculture was the new stagnant situation in grain production and that the current state of affairs in this regard is rather grim.

People have been making a great many comments on why the growth in China's agriculture slowed down after steady growth for a few years. The outside world even suspected that there may be something wrong in China's rural reforms in the past 10 years. As all people know, China's agricultural reforms have brought about fundamental changes in China's agriculture; the total agricultural output value has increased at an average annual rate of 10 percent; and China's production of cereal ranks first place in the world. Now, the 1 billion people in China can basically have sufficient food and clothing. These achievements acknowledged by the whole world should first be ascribed to the reforms.

However, this does not mean that China's agricultural problem has been settled. Now, the per capita grain possession in China is merely 750 jin, or even 40 jin less than in 1984. With the increase in the population and the development of animal husbandry and the processing industries, the demand for grain is also increasing. In the whole country, grain consumption is increasing at a high rate of 20 to 30 billion jin a year. Now, the whole country is still short of more than 30 billion jin of grain. The experts held that if the annual grain output remains at the level of 400 million tons in the coming years, China will not be able to achieve the long-term target of producing 500 million tons of grain a year by the end of this century. Then, China will be facing a troublesome and unstable situation caused by the grain shortage.

The stagnant situation in China's agriculture, especially in grain production, can be attributed to many reasons. Since 1985, the prices for grain and other major agricultural products have not been properly adjusted, and the production enthusiasm of the peasants was dampened. This is undoubtedly one of the most crucial reasons.

Moreover, agricultural investment in recent years fell by a big margin, and the area of farmland also fell continuously. This caused serious difficulties for increasing the output of grain and other agricultural products.

China has worked out this year's agricultural development plan; the grain production target is set at 410 million tons. This is certainly not a high target in terms of mitigating the contradiction between supply and demand on the markets or in terms of meeting the requirements of the Seventh 5-Year Plan, but its fulfillment is no easy task.

According to the analysis of agricultural experts, the situation in which the grain purchase price in the state purchase contracts is obviously lower than the market price will not be changed substantially, so the peasants' production enthusiasm will remain rather low. To fulfill this year's grain production target, the unit yield per mu must be raised by 14 jin over that in 1987. However, the unit yield per mu in 1986 was merely 6 jin higher than that in 1985, and that in 1987 was merely 10 jin higher than that in 1986. So, the difficulties in meeting the target are self-evident, as funds and materials used for agriculture are not substantially increased.

This analysis clearly shows that price and material input are two basic adverse factors that affect China's agricultural development. Although things in these aspects have been mentioned quite a lot and the relevant state department has also been trying to seek all possible solutions, due to the limited financial capacity of the state, it is still hard to thoroughly solve the problems in a short time.

It is certain that China will be able to free its agricultural development from the current predicament and restore the vigorous development momentum. At present, the Chinese authorities are taking a series of measures and making positive efforts to advance the situation in this direction.

According to some messages from the Ministry of Agriculture, Animal Husbandry, and Fishery, the state will rise the purchase prices for grain and oil-bearing crops this year to encourage the peasants to increase production. It is learned that the price adjustment may increase the peasants' income by more than 1 billion yuan.

Meanwhile, the state will also increase agricultural investment this year. Aside from the 1 billion yuan special fund for "supporting agriculture" that the state allocates every year, the 4 billion yuan of taxes on the use of farmland will all be used for agricultural purposes.

In view of the current situation in which industry grows too fast while things in agricultural development are not well coordinated, the relevant department will decide to adopt some radical measures to adjust the production structure. A senior official of the Ministry of Agriculture,

Animal Husbandry, and Fishery revealed that the State Council will soon hold a rural work conference in which new policy decisions will be made to accelerate China's agricultural development.

Analysis on Rural Attention to Economic Rules
OW142222 Beijing XINHUA in English 1501 GMT
14 Mar 88

["News Analysis: Rural People Pay More Attention to Economic Rules"—XINHUA headline]

[Text] Harbin, March 14 (XINHUA)—Net gain is becoming the most important yardstick for Chinese peasants when they decide what to grow on their land.

Since 1987 there has been a drop in the supply of sugar and meat in some cities, including Beijing, Tianjin, Shanghai and Wuhan.

Tracing the problem to its source, experts found that this resulted from the fact that farmers have found production of these staple items unprofitable.

This, in turn, severely affects other sectors of the economy.

For instance, northeast China's Heilongjiang Province is the biggest beet sugar producer in the country, but most of its sugar-processing enterprises ran at a loss last year because of the short supply of sugar beet.

In previous years, rural people in Heilongjiang earned more by growing beets than other crops. But since 1984 the purchasing prices for many grain and bean products were raised, while the purchasing price for beets remained basically stable. This caused the area sown with beets to decrease.

"It has taught us the lesson that peasants now have a good understanding of economic rules, with which they can punish us bureaucrats if we move too far from the masses and practical affairs," said An Zhendong, vice governor of the province.

As a remedial measure, the state has decided this year to raise the purchasing price for beets from 90 yuan to 120 yuan a ton, in order to stimulate the planting of this crop.

The shortage of meat in city markets is a similar case in point.

In recent years the price for pig feed kept rising, while the purchasing price for pigs remained stable. As a result, peasants prefer to sell unprocessed food grains than to raise pigs.

Economic rules are beginning to guide Chinese peasants' production and management, and this is an inevitable outcome of the planned commercial economy now developing in China's rural areas.

East Region

Anhui Governor on Developing Huaibei Plain *OW150905 Hefei Anhui Provincial Service in Mandarin 1100 GMT 4 Mar 88*

[Text] On the evening of 29 February, Anhui Governor Lu Rongjing met with Ma Yijie and eight other agricultural experts of the Chinese Academy of Sciences who had come to Anhui to help develop the Huaibei Plain. The meeting took place at the provincial government building.

The Huaibei Plain, which is about 40,000 square kilometers in size and has about one-half of Anhui's arable area, is an important part of the great plain bordering China's Huang Hai [Yellow Sea]. Historically, it has been an area of poor production and hit frequently by natural disasters. Since rural reform was launched, it has become a major agricultural base in Anhui. Because the Huaibei Plain is superior to the eastern and northern parts of the Huang Hai Plain in terms of sunshine, climate, water, and soil fertility, it has relatively great production potential, and the relevant authorities maintain that development of this area should be expedited.

After hearing the experts' explanations on the eight initial development projects, Governor Lu Rongjing said: These projects are fine and highly practical. I hope that you experts will serve as a brain trust and help us work out some of the relatively urgent development projects.

When the experts discussed how development funds should be distributed and how the projects should be carried out, Comrade Lu Rongjing stressed: We should incorporate the competitive mechanism in the development projects. We should contract the projects out to bidders, and compensate the developers properly. The state will invest according to the nature of the projects. The use of funds will be linked to the economic efficiency of the project.

In conclusion, Comrade Lu Rongjing urged that a special provincial organization be set up as quickly as possible to take charge of development of the Huaibei Plain. He said that the departments concerned should render energetic support to the organization, take an active part in development, and organize researchers to deal with major technical problems.

Fujian's Chen on Developing Mountainous Areas *OW140935 Fuzhou FUJIAN RIBAO in Chinese 14 Feb 88 p 1*

[Excerpts] "It is necessary to give full play to local advantages, grasp every opportunity, turn toward southern Fujian, and expand contacts with other areas in the west and south, while following an open policy, in order to speed up the development of the mountainous areas."

These were the views expressed by Chen Guangyi, secretary of the Fujian provincial party committee, regarding the development of the mountainous areas. The comments were made when he conducted an investigation tour of western Fujian.

Comrade Chen Guangyi and responsible comrades of various provincial departments concerned visited Zhangping, Longyan, Shanghang, Wuping, Changting, and Liancheng in western Fujian from 3 to 9 February. Together with cadres of various prefectures, counties, plants, mines, and grass-roots rural units, they studied how to implement the guidelines of the documents of the 13th CPC National Congress, the important instructions issued by Comrade Zhao Ziyang regarding Fujian's work, and the spirit of the work meeting of the Provincial Party Committee in order to speed up the economic development of the mountainous areas.

Chen Guangyi said: Party committees and governments at various levels in western Fujian have taken prompt, conscientious, and effective action in implementing the guidelines of the 13th CPC National Congress and Comrade Zhao Ziyang's instructions and have whipped up the enthusiasm of cadres and the masses. The various localities have developed many good methods. They have extensively and effectively promoted the development of production. The situation is quite good. However, we should realize that this study is just the beginning and that we must continue to study in a penetrating manner this year. We must implement firmly the guidelines of the 13th CPC National Congress and pay keen attention to educating the masses on the basic line. The fundamental purpose of studying and implementing the guidelines of the 13th CPC National Congress and Comrade Zhao Ziyang's instructions is to further liberate our thinking, further liberate the productive forces, and further develop the commodity economy.

While carrying out investigation and study, Comrade Chen Guangyi stressed repeatedly that we must liberate our thinking and understand the situation in the various prefectures and counties of western Fujian in a spirit of seeking truth from facts. We should look at western Fujian's "mountainous, remote, old, and poor areas" in a dialectical manner. We should turn disadvantages into advantages and unfavorable conditions into favorable factors. Western Fujian has abundant resources, and labor force. It has all of our country's things that Comrade Zhao Ziyang mentioned. The production situation in western Fujian is relatively good. Western Fujian has many forests and fruit trees and abundant mineral resources. It has an honorable revolutionary tradition and the people in the old revolutionary base areas are capable of enduring hardship and work hard. The people there have profound feelings toward the party. These are great spiritual assets and an economic advantage. Western Fujian is also blessed with good opportunities. They include proximity to the Golden

Delta in southern Fujian, the opening up of Guangdong and southern Jiangxi, and the central authorities' concern and support for the old revolutionary base areas. [passage omitted]

Comrade Chen Guangyi said: In the final analysis, developing productive forces means developing the commodity economy. Western Fujian should give full play to its advantages, grasp boldly all its opportunities, expand economic contacts with southern Fujian and its western and southern flanks, and speed up the development of an outward-oriented economy in the mountainous areas. [passage omitted]

Fujian's Chen Guangyi on Antipoverty Work
OW141025 Fuzhou Fujian Provincial Service
in Mandarin 1100 GMT 3 Mar 88

[Excerpts] The Provincial Party Committee has decided to carry out a provincewide general inspection of antipoverty work during the 4th quarter of this year. This was announced by Comrade Chen Guangyi today at a meeting to welcome back returning, and send off departing, antipoverty work groups of organs directly under the province.

This year will be the last of the 3 years designated by the provincial party committee for carrying antipoverty work. However, accomplishing this 3-year task will not mean the end of this work. In order to make this work a long-term strategic task and completely transform the backwardness and improve the living standard of poor areas, an all-round, provincewide general inspection of this work will be conducted in the 4th quarter. (passage omitted)

The inspection is aimed mainly at finding out whether the central authorities' policy for poor areas and the provincial party committee's programs to help poor areas eliminate poverty and become rich have all been implemented in an all-round way. [passage omitted]

Chen Guangyi called on all localities and departments to take this matter seriously, do a good job from now on, overcome shortcomings, and make sure that antipoverty work is done effectively, meticulously, and successfully.

Jiangxi's Wan at Defense Education Meeting
OW131431 Nanchang Jiangxi Provincial Service
in Mandarin 1100 GMT 10 Mar 88

[Excerpts] The People's Armed Forces Commission under the provincial party committee held a plenary meeting on 8 March. It urged all localities to carry out widely education on national defense, heighten the people's awareness of national defense, and intensify the building of reserve forces.

Provincial party, government, and military leaders Wan Shaofen, Liu Fangren, Wang Baotian, Jiang Zhuping, (Wang Taihua), Wang Guande, Shen Shanwen, and (Wei

Chaoan), as well as members of the commission, attended the meeting. Shen Shanwen, deputy commander of the provincial Military District, and (Chen Lijiu), director of its Political Department, made reports on militia and reserve forces work in Jiangxi last year. [passage omitted]

Wan Shaofen, secretary of the provincial party committee and chairman of its People's Armed Forces Commission, spoke at the meeting. She said: Education on national defense is a requirement of the reform and open policy. To carry out the policy, it is necessary to have a peaceful environment. This peaceful environment depends not only on training an efficient and compact conventional army and powerful defense reserve forces, but also on strengthening national defense education among the people and increasing their sense of national defense. Therefore, all localities should conduct education on national defense in a manner as if it were a systems engineering project by making meticulous arrangements and implementing them earnestly. [passage omitted]

Liu Fangren, Jiang Zhuping, Wang Baotian, and Wang Guande also spoke at the meeting.

Appointment, Removal of Shandong Officials
SK150625 Jinan DAZHONG RIBAO in Chinese
11 Feb 88 p 1

[Text] In line with Governor Jiang Chunyun's proposal, the first session of the seventh provincial People's Congress Standing Committee issued a decision on 10 February on the following appointments and removal of government functionaries. It decided to appoint Wang Kesan [3769 4430 0005] director of the Shandong Provincial Commission of Foreign Economic Relations and Trade; Li Cheng [2621 6134] director of the Shandong Provincial Public Security Department; Meng Xianrong [1322 2009 2837] director of the Shandong Provincial Radio and Television Department; and Jiang Kaiye [1203 7030 2814] director of the Shandong Provincial Statistical Bureau. It decided to remove Zhang Fuzeng [1728 4395 1073] from his post as director of the Shandong Provincial Commission for Foreign Economic Relations and Trade; Meng Zhaoju [1322 2507 3515] from his post as director of the Shandong Provincial Public Security Department; Jin Zhao [6855 6856] director of the Shandong Provincial Radio and Television Department; Zhao Zongqi [6392 1350 1477] from his post as director of the Shandong Provincial Statistical Bureau; Lu Daoxin [7773 6670 0207] from his post as director of the Shandong Provincial Bureau of Diversified Economy and Township Enterprises; Li Benjun [2621 2609 0971] from his post as director of the Shandong Provincial Office of Science, Technology, Industry for National Defense; and Shi Tao [4258 3447] from his post as director of the Foreign Affairs Office of the Shandong Provincial People's Government.

In line with Chairman Li Zhen's proposal, the first session of the seventh provincial People's Congress Standing Committee also decided to appoint Comrade Li Qinghong [2621 1987 7703] deputy secretary general of the Shandong Provincial People's Congress Standing Committee, and to hold the concurrent post as director of the general office of the Shandong Provincial People's Congress Standing Committee; and Wang Shenglin [3769 4141 2651] director of the legislation work office of the Shandong Provincial People's Congress Standing Committee; and decided to remove Comrade Wang Kesan from his post as deputy secretary general of the Shandong Provincial People's Congress Standing Committee and from his concurrent post as director of the general office of the Shandong Provincial People's Congress Standing Committee; and Wang Shenglin from his post as deputy director of the general office of the Shandong Provincial People's Congress Standing Committee.

Shandong Democratic League Congress Ends

*SK130641 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 12 Mar 88*

[Text] The Fourth Congress of the Shandong Provincial Committee of the China Democratic League concluded in Jinan City on 12 March. During the congress the delegates elected the members and alternate members of the fourth provincial Democratic League Committee, and elected the province's delegates to the Sixth Congress of the National Democratic League Committee. It also heard and discussed the work report given by Comrade Wu Fuheng on behalf of the third provincial Democratic League Committee, and approved the resolutions adopted at the congress.

The resolution urges the Democratic League organizations at all levels and all members of the league, regarding the spirit of the 13th CPC Congress as guidance, to enhance their sense of mission and of running political parties. It also urges them to carry out activities with multiple forms and channels for joining in political affairs and conducting political consultations at all levels, and to upgrade continuously the work standard of joining in political affairs and conducting political consultations.

The resolution establishes some measures to make friendly contacts with the compatriots of Taiwan, Hong Kong, and Macao, and with Overseas Chinese and to carry out liaison work with foreign countries and personages. The resolution urges the Democratic League organizations at all levels to establish or improve their relevant organs in a timely manner, to make all-out efforts to help the departments concerned give satisfactory receptions for the home visits and tours of compatriots from Taiwan, and to actively push their members to carry out the linking work of introducing outside technologies and funds in line with circumstances. Meanwhile, organizations should render intellectual service vigorously to the entire society. Bearing in mind

their actual situation, they should also carry out emphatically macro-advisory activities for local development strategies. They should support their members, on the premise of conducting their own work successfully, to render intellectual services in the fields of education, science, and technology.

Zhou Zhenxing, director of the United Front Work Department under the provincial party committee, attended and addressed the congress. In his speech he stated: Since the 13th CPC Congress, the tasks of democratic parties have become increasingly heavy. The road for these parties to play their role in construction has also become increasingly broad. Therefore, we should bring about a change to the past practice in which the democratic parties held excessive discussions and did few practical things. We should have them do more practical things in more fields. We should also have them bring their role into full play and make new contributions toward making the province prosperous through scientific and technological means.

On the afternoon of 12 March, the Fourth Provincial Democratic League Committee held its first plenary session at which the participating members elected Wu Fuheng chairman of the provincial Democratic League committee; and Kong Lingren, Liu Lingcheng, Yan Qingqing, (Ma Shaoxian), (Li Qirui), and (Liu Yuping) vice chairmen of the provincial Democratic League Committee. (Liu Yuping) also assumed the concurrent post of secretary general of the provincial Democratic League Committee.

Jiang Zemin Attends People's Congress Meeting

*OW131439 Shanghai City Service in Mandarin
2300 GMT 10 Mar 88*

[Text] Some Sixth and Seventh NPC deputies elected in Shanghai were briefed by the Shanghai Municipal People's Congress Standing Committee on the latter's work at a meeting yesterday [9 March] morning. Mayor Jiang Zemin and Vice Mayors Huang Ju and Xie Lijuan attended the meeting to hear the deputies' views and suggestions.

The more than 70 Shanghai deputies of the Sixth and Seventh NPCs conducted an inspection of Shanghai Municipality from 21 February to 5 March. Most of the opinions and suggestions they put forward yesterday were about how to take advantage of Shanghai's superiority in science and technology to promote the development of an export-oriented economy and about commodity prices.

As the Shanghai deputies to the Seventh NPC will soon attend the forthcoming NPC session, they discussed yesterday afternoon the draft of the government work report to be delivered at the forthcoming NPC session.

Shanghai Mayor on Contract Responsibility System
OW131215 Shanghai JIEFANG RIBAO in Chinese
28 Feb 88 P 1

[Excerpts] A meeting on promoting the contract responsibility system in a comprehensive way in state industrial enterprises in Shanghai this year was held yesterday afternoon.

Lu Dong, minister in charge of the State Economic Commission, and Jiang Zemin, secretary of the Shanghai municipal party committee and mayor of Shanghai, attended and spoke at the meeting. Zhu Rongji, deputy secretary of the Shanghai municipal party committee, and Dong Shaohua, secretary general of the State Economic Commission, also attended the meeting.

Jiang Zemin presented views on implementing contracted operations in Shanghai this year, calling for promoting vigorously the contract responsibility system in industrial enterprises and improving, deepening, and developing the system. He said: Conditions for carrying out the contract system are better this year than last year. So, we should and could further improve the contract responsibility system. We must overcome difficulties, do a better job, and set the base figures for every enterprise effectively. Jiang Zemin emphasized: In implementing the contract responsibility system among various enterprises, we must overcome three tendencies. These tendencies are: That of being arrogant and self-complacent, that of making complaints and fearing difficulties, and that of being complacent and conservative.

In promoting the contract responsibility system, we should change Shanghai's economic structure in four ways: from a production economy to a planned socialist commodity economy, from a domestic economy to an export-oriented economy, from unified central budget management to a local revenue-sharing system, and from the customary and simple administrative control to a combination of meticulous ideopolitical work and economic management.

The meeting was chaired by Vice Mayor Li Zhaoji. Huang Ju, deputy secretary of the municipal party committee and vice mayor of Shanghai, drew up a specific plan for promoting the contract system among state industrial enterprises this year. [passage omitted]

The meeting first called on all people concerned to study seriously the documents of the national forum on implementing the contract responsibility system and to raise constantly their understanding of promoting the system. The meeting also conveyed the guidelines for promoting the system set by central leading comrades in their many important speeches. The meeting pointed out that the contract system is a successful way to develop the economy and invigorate enterprises and that we must

implement the system unswervingly because it has an extremely important bearing on promoting our country's economic development and reform. [passage omitted]

Shanghai's Jiang 'Strongly Denounces Red Tape'
HK141539 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 14 Mar 88 p 4

[Report: "Shanghai Mayor Strongly Denounces Red Tape"]

[Text] There was a "buck-passing" incident concerning the procedures for the establishment of a joint venture in Lhanghai. Mayor Jiang Zemin strongly denounced the bureaucratic style of work in the municipal government institutions when he learned of it.

Jiang Zemin said: "I felt deeply ashamed when I was told about this case." He also criticized the bureaucratic work style of passing the buck and being dilatory in doing things. He said that with such low work efficiency, how could foreigners be expected to come and do business with us?

Jiang Zemin, member of the CPC Central Political Bureau, secretary of the Shanghai CPC Municipal Committee, and Shanghai mayor, attended a municipal rural work conference yesterday. At the conference, he mentioned this "red tape" case in a critical way. His criticism won applause from the 1,200 meeting participants.

According to a report in JINGJI RIBAO, Baoshan County tried to launch a joint venture on a modest scale. But, the application documents had to go through 14 commissions and offices and 19 bureaus which stamped the documents with 126 seals over 15 months. The procedures have yet to be completed. Jiang Zemin visited Guangdong in January 1988. At that time, he asked the leaders of Dongguan County how they were able to earn \$200 million in foreign exchange a year through exports. They answered that it only took an hour to approve a contract with an overseas company. Jiang Zemin said: "I felt ashamed when I heard this."

According to Jiang, the Shanghai municipal government has plans to set up an authoritative department to raise work efficiency and prevent buck-passing.

Zhu Rongji, a new leader of the Shanghai municipal government, said: "Henceforth, one seal is enough for such affairs."

Shanghai Profits Best for Foreign Investors
OW131128 Beijing XINHUA in English 0740 GMT
13 Mar 88

[Text] Shanghai, March 13 (XINHUA)—Most foreign investors in China make good profits. But in Shanghai they make the highest profits and fastest, too.

The Yanzhong Hamburger Company Ltd. is one of a dozen such cases. Since it opened six months ago, a joint undertaking with a Philippine investor, it has earned a net profit of 300,000 yuan.

The Kaifeng Electronics Company Ltd, jointly-run by Shanghai Kaile Radio Factory and Hong Kong Xinfeng-hen Electronics Company Ltd., has had an impressive record, too.

It started up last July and had earned profits of 4.14 million yuan by the end of the year.

For the Hong Kong businessman that spelt a 112 percent return on investment.

Investors from a dozen countries and regions including the United States, Holland, Japan, Singapore and Hong Kong have found cooperators from the 1,192 collectively-owned enterprises in the city and had established 18 joint ventures by the end of last year.

Zhejiang Governor At People's Congress Plenum
OW131325 Hangzhou Zhejiang Provincial Service
in Mandarin 1000 GMT 13 Mar 88

[Text] The second session of the seventh provincial people's congress standing committee held a plenary meeting today. Wu Minda, vice chairman of the standing committee, presided over the meeting. At the meeting, Governor Shen Zulun made a proposal on personnel appointments. The meeting also heard reports by responsible persons of the provincial people's procuratorate and the provincial higher people's court on personnel appointments. It also heard a report by (Dai Di), director of the provincial public health department on public health and epidemic prevention work.

In his report, (Dai Di) said: Most of the hepatitis patients at present contracted the disease because they were in the habit of eating raw clams. Although the disease seems to be under control, we must not lower our guard against hepatitis, because of the floating population and the inadequate control of water resources and sewage. All this may help a recurrence of the disease. We must launch a public health propaganda campaign and help people raise their awareness against this disease, strengthen food control, and improve hygiene in public places. We must expand our facilities to accommodate hepatitis patients and use disinfectants in handling sewage and waste water in order to curb the spread of the disease.

Attending the meeting were Chairman Chen Anyu of the standing committee of the provincial people's congress, and Wu Zhichun, Li Yuhua, Wang Qidong, Zhu Xuxiang, (Wang Yuming), and (Yang Bian). Also attending the meeting as observer was Li Debao, vice governor of Zhejiang.

Central-South Region

Guangxi Leader Stresses Protecting Farmland
HK130627 Nanning Guangxi Regional Service
in Mandarin 1030 GMT 12 Mar 88

[Excerpts] On the morning of 10 March, regional CPC Secretary Chen Huiguang visited a study course of land administrative bureau directors. He told them: There are three main tasks we cannot forget at any time. These are family planning, afforestation and greening, and protection of farmland.

On protecting farmland, Chen Huiguang pointed out that land is the most basic agricultural production means. [passage omitted] In the past 2 years, Guangxi's farmland area has dropped to 52 million mu, and there is less than 1 mu per head of the population. If we fail to protect the farmland, then, as the population rises, the numerator—land—will drop while the denominator—population—increases. The ratio between them will become smaller and smaller. We must have a certain area of farmland to ensure that there is enough to eat.

On land used for construction, Chen Huiguang said we must both eat and carry out construction. Suburban areas should as far as possible avoid using good farmland for construction. Some peasants have occupied farmland indiscriminately to build houses. We must adopt new measures to ensure that the peasants understand that they only have the right to work the land by contract and have no land ownership rights. Contracts must be set for land use, and the land must be used according to the contracts.

Chen Huiguang urged the comrades to study seriously the policies and principles on strengthening land management and protecting farmland. [passage omitted]

Guangxi Meeting Studies Central Documents
HK130629 Nanning Guangxi Regional Service
in Mandarin 1030 GMT 12 Mar 88

[Text] The second meeting of the seventh Guangxi Regional People's Congress Standing Committee has assigned 2 days to holding panel and joint discussions on the CPC Central Committee Document No 1, Comrade Zhao Ziyang's speech on questions of economic development strategy for the coastal regions, and CPC Central Committee documents on the work of the people's congresses. Vice Chairman Wei Zhangping presided at the joint discussion on the morning of 10 March.

Vice Chairman Huang Jia said at the meeting: The precondition and the key to carrying out the economic development strategy for the coastal regions lies in further emancipating our minds. Only thus can we further liberate the productive forces. We members of

the regional People's Congress Standing Committee must also emancipate our minds and regard supporting the development of the productive forces as the core task.

Chairman Gan Ku said: Guangxi has rich resources. Of the five autonomous regions, only Guangxi lies on the coast. We must have the confidence to promote the region's economy as quickly as possible.

Vice Chairman Huang Jia presided at the joint meeting on the afternoon of 11 March. The committee members studied and discussed seriously the CPC Central Committee documents on people's congress work. They put forward positive views on further improving the work of the congresses and their standing committees.

Guangxi Radio Notes Family Planning Problems

HK130625 Nanning Guangxi Regional Service
in Mandarin 1030 GMT 12 Mar 88

[Station Commentary: "Fulfill the Family Planning Tasks Resolutely"]

[Excerpts] [passage omitted] Last year the birth rate and the birth rate of a second or further child in Guangxi were much higher than the national averages. The region's population has now reached 40,150,000. However, the target set by the state for Guangxi is to keep the population below 45 million by the end of the century. If we relax the implementation of family planning policies now, we are bound to exceed the control target set by the state. A vast population cycle will bring still more intolerable pressure on the environment, resources, culture, education, employment, and living standards. This shows how arduous is the region's task of controlling population growth. We must therefore adopt corresponding counterstrategies.

First, we must stabilize the policies and act strictly according to the policies. [passage omitted] It is necessary to intervene administratively or economically against cadres and masses who violate the policies.

Second, we must deepen the reforms in family planning work. [passage omitted]

We believe that so long as the people of all nationalities work in concert in a down-to-earth way, the region will certainly be able to fulfill its population growth tasks.

Meeting Considers Construction in Hainan Cities

HK111515 Haikou Hainan Island Service
in Mandarin 1100 GMT 9 Mar 88

[Excerpts] A report meeting on major construction plans formulated for Haikou and Sanya cities was held yesterday morning in Haikou.

Xu Shijie, Liang Xiang, and Yao Wenxu, leaders of the preparatory group for establishing Hainan Province, attended the meeting and listened to reports. [passage omitted]

According to the construction plans, Haikou City will become an export-oriented international city and the political, economic, and cultural center of Hainan Province. Sanya will become the province's major city engaged in developing tourism. [passage omitted]

Henan Approves Suggestions for Financial Reforms

HK151026 Zhengzhou Henan Provincial Service
in Mandarin 2300 GMT 10 Mar 88

[Text] The provincial people's government approved and circulated recently the suggestions for reform of the Henan provincial financial system in 1988 made by the provincial commission for restructuring the economic system and the provincial People's Bank.

According to the suggestions, in principle, all specialized banks at the city and prefectural levels and agricultural banks at the county level must ensure fulfillment of their credit plans, achieve a balance of the funds they raised independently, and implement resolutely the policies that more credits can be given with the existence of more deposits and that only fewer credits can be given with the existence of fewer deposits. In addition, they must persist in dealing with each case on its merits, support the best, readjust credit structures, and ensure that credits are given to those who need them most. They must assist large and medium-sized enterprises in establishing internal banks and lead banking mechanisms into enterprises, with the purpose of perfecting the internal management mechanism within enterprises.

A total of five day-to-day loans and funds centers should be established in Zhengzhou, Kaifeng, Luoyang, Anyang, and Luohe for the purpose of promoting day-to-day loans and funds business among members of the same trade and making advances on a transsectoral, transregional, and multilayered development of such business.

Qualified cities can set up and run comprehensive funds accommodation companies on an experimental basis. It is imperative to further improve and perfect regional bill clearing centers that depend on key cities. Travelers' checks that can be put to use throughout the province should be promoted. Credit card business should be run on an experimental basis. It is imperative to actively develop urban and rural credit cooperatives that were not organized and set up by banks. Exploration-type construction and housing industries should be set up and promoted on an experimental basis. The powers to examine and approve the operations of credit cooperatives should be transferred to people's banks at the city and prefectural levels. Finance, leasing, and security companies, as well as other collective financial organizations can be set up and run on an experimental basis in

accordance with the needs of economic development. It is imperative to allow local and specialized insurance organizations to be set up and run on an experimental basis. The peasants should be allowed to pool funds to run insurance business on the principle of voluntary participation. Enterprise-type management of insurance companies should be popularized.

Henan Meeting Discusses Propaganda Tasks
HK120643 Zhengzhou Henan Provincial Service
in Mandarin 2300 GMT 11 Mar 88

[Excerpts] A provincial propaganda work meeting was convened in Zhengzhou on 11 March. Its agenda was to relay the spirit of the national conference of propaganda department directors, review and sum up propaganda work last year, and make arrangements for this year's work.

Hou Zhiying, member of the Standing Committee of the provincial party committee and director of the Propaganda Department, delivered a work report at the meeting. [passage omitted] He pointed out particularly: Although we have scored some successes in our propaganda work, this work still fails to meet the demands of reform and opening up in many respects. He stressed that the general task in the province's propaganda work in 1988 is to publicize and implement fully the spirit of the 13th NPC, carry out education in the party's basic line, and mobilize and encourage the people of the province to work hard in a down-to-earth way in promoting the building of material and spiritual civilization, and in striving to fulfill the various tasks of reforms and social and economic development. [passage omitted]

Yao Minxue, deputy secretary of the provincial party committee, was present at the meeting.

Henan's Yang Views Mountain Forest Contracts
HK150233 Zhengzhou Henan Provincial Service
in Mandarin 2300 GMT 14 Mar 88

[Excerpts] Provincial CPC Committee Secretary Yang Xizong conducted recently an investigation of rural areas in Nanyang Prefecture. During that trip he stressed that contracts for mountain forests should run for at least 50 years, and up to 100 years. We should ensure that the peasants feel that party policies will be kept unchanged for a long period, so as to enhance their enthusiasm to invest money and labor in the mountain forests and turn the mountains green as soon as possible.

While in Tongbai and Zhenping counties on 5 and 6 March, Comrade Yang Xizong was informed that the contract period for afforestation on the bare mountains and slopes was 15 years in some cases and 30 years in others. He told the leading comrades of the prefecture and the counties and townships that the aim of mountain forest contracting is to turn the mountains green as soon

as possible, increase the forest cover, promote soil conservation, and increase the income of the collective and the contractors. All this is beneficial, and not at all harmful, for the country, the collective, and the people. [passage omitted] We must define explicitly the rights and duties of the contractors. Under the precondition that there is no change in ownership, the contractors have the right to assign, inherit, and transfer mountain forests. [passage omitted]

Hunan Discusses Contract Management System
HK150217 Changsha Hunan Provincial Service
in Mandarin 0100 GMT 15 Mar 88

[Excerpts] A provincial conference on deepening enterprise reform met recently. It proposed that the main tasks in rounding off, perfecting, deepening, and developing the contracted management responsibility system in the province this year are to further expand the scope of contracting, increase the number of enterprises practicing long-term contracts, perfect the contracts, introduce the competitive mechanism, deepen internal reforms, strengthen enterprise management, encourage the enterprises to amalgamate, engage in joint operations, and hold shares in each other, and push the enterprises onto the path of making their own decisions and being responsible for their own profit and loss.

The meeting, which concluded in Changsha yesterday, concentrated on implementing Central Document No 1 and the spirit of the provincial conference of prefectural commissioners and city mayors, and on studying and making arrangements for this year's enterprise reforms. [passage omitted]

In a speech, Chen Bangzhu affirmed fully contracting in the province's enterprises, but noted that since this system has not been practiced for long, contracting is not yet perfected and rounded off sufficiently. The task this year is to round off this system and perfect, deepen, and develop it. The government and departments at all levels must regard the work of promoting contracting as the focal point in urban economic structural reform and get a thoroughly good grasp of it. [passage omitted]

Hunan Leader Stresses Mental Emancipation
HK120531 Changsha Hunan Provincial Service
in Mandarin 0100 GMT 12 Mar 88

[Text] It is essential to further emancipate the mind and further relax the policy in order to promote Hunan's economic work this year. The participants in the provincial conference of prefectural commissioners and city mayors held that this view, which was proposed at the meeting by Comrade Mao Zhiyong, is the general guiding idea for making a success of the province's economic work and is also the guiding idea for doing a good job in reforming the foreign trade setup and the urban housing system.

This meeting was held in Changsha from 7 to 11 March. The meeting focused on studying and implementing Central Document No 1, and studying the views on reform of the foreign trade and urban housing systems proposed by the provincial government. The provincial government will make the necessary revisions to these two reform schemes in accordance with the participants' views, and then publish them as official documents.

Mao Zhiyong, Xiong Qingquan, Chen Bangzhu, Wang Xiangtian, Wang Zhiguo, Shi Xinshan, Li Tiangeng, Yang Huiquan, Zhuo Kangning, and Zhou Zheng, responsible comrades of the provincial party committee, Advisory Commission, Discipline Inspection Commission, People's Congress Standing Committee, government, and CPPCC, attended the meeting. Mao Zhiyong, Xiong Qingquan, Chen Bangzhu, and Zhuo Kangning made speeches. Yu Haichao delivered a written speech.

Xiong Qingquan gave views on economic work in his speech. He said that in grasping this year's economic work, it is essential to devote still greater effort to agricultural production, especially grain, further promote the enterprise contracted management responsibility system, get a good grasp of reforming the foreign trade setup, further expand opening up to the world, and switch economic development to the path of relying on the progress of science and technology and the improved quality of the laborers. We must continue to launch in depth the double increase and double economy drive.

In agriculture, the province must attain a new level in grain production this year by breaking through the 53 billion jin mark. In industry, we must continue to introduce the competitive mechanism into contracting and ensure that able people are running the factories by conducting public bidding and hiring. We must strengthen the enterprises' operational decision-making powers and their powers to set prices of products and handle exports and imports.

He stressed in particular that it is essential to attach importance to solving the most conspicuous problem in current economy work, that of excessive price increases.

Comrade Mao Zhiyong pointed out in his speech that the discrepancies between Hunan and advanced provinces in economic work lie mainly in the fact that we have not gone far enough in emancipating our minds or relaxing the policies. Only by further emancipating our minds can we further liberate the productive forces and ensure the smooth progress of reforms and production. Only by further relaxing the policies can we stimulate the development of production and invigorate the economy. So long as the development of the productive forces is aided, we should relax the policies and be as flexible as possible.

Comrade Mao Zhiyong also said that an urgent task in speeding up agricultural development is to strengthen the agricultural services setup, especially that of science and technology services. He also stressed that the province must continue to get a good grasp of family planning work.

Southwest Region

Guizhou Governor Urges Economic Progress
HK130343 Guiyang Guizhou Provincial Service
in Mandarin 2300 GMT 12 Mar 88

[Text] Governor Wang Chaowen said attended the first plenary meeting of the provincial government on 11 March. At that time he said that the new leadership group of the provincial government must seriously emancipate its mind, unify understanding, speed up and deepen the reforms, and mobilize the forces of all sectors to strive for the province's second economic doubling within the next 7 years.

Wang Chaowen said that Guizhou has scored tremendous achievements in economic construction since the 3d Plenary Session of the 11th CPC Central Committee. However, there are still great discrepancies between these achievements and those of fraternal provinces and regions. Fundamentally speaking, this is because our understanding of the productive forces criterion is not deep enough, our minds are not sufficiently emancipated, and many old conventions, frameworks, and concepts are still inhibiting us. We lack the spirit of boldness in carrying out reforms and exploring and creating new things. In formulating certain policies, we have not yet shaken off the bindings of old methods and concepts. There is excessively rigid control of the development of urban collective industry and the township and town enterprises. We have not yet got into full stride in opening up to the world; we are not sufficiently aware of rural economic development cycles and of the use of the law of value; and we lack pioneering spirit in invigorating urban and county-level economy. Hence, the government at all levels must absorb the lessons and formulate specific goals and tasks for achieving economic doubling in Guizhou. We must base our efforts on the special features of the province's condition in boldly exploring new roads of reform.

He stressed that in carrying out reform, we must get a tight grasp of the central cardinal link—invigorating the enterprises—fully implement various kinds of contracted management responsibility systems, vigorously develop urban collective economy and township and town enterprises, and establish a mechanism by which science and technology are closely linked to daily life. We must continue to promote lateral economic ties, stimulate the rational distribution and optimum combination of the vital elements of production, further delegate powers, and speed up economic development.

Wang Chaowen pointed out that the 5-year term of this government will be the most crucial period in Guizhou's economic development. Under the premise of ensuring continual improvement in economic returns, we must regard the maintenance of a certain growth rate as the guiding idea for the province's economic work, and formulate a relatively good development strategy to ensure its attainment.

Comrade Wang Chaowen said: We must do a good job in organizing the province's second economic doubling. At present, we must adapt to the main trend in the economic development strategy of the coastal regions and seize this opportunity to spur Guizhou's economic development. The members of the government at all levels must brace their spirits and strive to do government work well. In particular, the government organs must change their work functions, improve work style, enhance efficiency, and set a good example for the cadres and masses. We should adopt a new posture in creating a new situation in government work.

Sichuan Leader on Development of Mountain Areas
HK120723 Chengdu Sichuan Provincial Service
in Mandarin 0100 GMT 10 Mar 88

[Text] While investigating Xiushan County's economic development from 6 to 7 March, Yang Rudai, secretary of the provincial party committee, noted: Cadres and people in remote border and poor mountain areas must strengthen their sense of commodity, enhance their consciousness of opening up, promote commodity production, and develop the range and quality of commodity production.

Comrade Yang Rudai had visited Xiushan County three other times in the past.

Referring to the current conditions of Xiushan County's economic development, Comrade Yang Rudai noted: We must lay solid foundations for agriculture, actively popularize hybrid rice (words indistinct), plastic sheeting, and other agricultural scientific and technical know-how, and increase both the multiple crop index and the yield per unit area. Since our per-capita cultivated area is not large enough, we must make full use of barren hills and slopes and promote exploration-type agriculture. At the same time, we must energetically mobilize all specialized households to promote work in this regard. Poor areas must make changes in accordance with local superior natural resources as well as market competition, pay close attention to developing several major industries, and turn their superior local resources into superior commodity production forces.

Referring to the issue that the lack of qualified personnel is an important factor in restricting the economic development in remote border and poor mountain areas, Comrade Yang Rudai said: First of all, we should give full play to the roles played by our existing qualified personnel. Next, we should use preferential policies to

attract qualified personnel from other areas. What is more important is that we must reform our educational system and increase courses in practical agricultural, technological know-how in our middle schools.

Accompanying Secretary Yang Rudai to Xiushan were Liao Bokang, chairman of the provincial CPPCC committee, and responsible comrades from relevant provincial departments.

Sichuan Governor on Deepening Enterprise Reforms
HK120719 Chengdu Sichuan Provincial Service
in Mandarin 0100 GMT 10 Mar 88

[Text] In his speech at the ongoing provincial work conference on deepening reform of the enterprise leadership setup and the contracted management responsibility system [date of speech not given], Zhang Haoruo, governor of the provincial people's government, stressed: We must organically combine the "double increase and double economy" campaign with the activities of deepening enterprise reforms, particularly with implementation of the contracted management responsibility system.

Zhang Haoruo said: To promote the "double increase and double economy" campaign, we must stress successfully carrying out the following tasks:

First, we must meticulously and successfully organize the supply of energy resources and raw and processed materials and the communication and transport services for production purposes. On the premise of attaching importance to beneficial results, stability, and coordination, we must maintain a relatively fast industrial production growth rate.

Second, we must ensure implementation of plans for producing agricultural production materials, adopt effective measures to support the output of agricultural production materials and particularly the output of chemical fertilizers and agricultural sheeting, and promote the supply of production materials for producing such products.

Third, we must ensure the implementation of plans for increasing foreign exchange income through exports. Through transferring export management powers to lower levels, we must carry out the contracted export management responsibility system, adopt economic and administrative measures to control the outflow of export commodities, implement the policy to encourage exports by giving awards, and ensure fulfillment of plans for increasing foreign exchange income through exports.

Fourth, we must resolutely reduce social and institutional purchases.

Governor Zhang Haoruo expressed the hope that through deepening enterprise reforms, we can successfully promote the "double increase and double economy" campaign and advance the movement to turn from deficits to profits among enterprises.

Sichuan's Yang Discusses 'Basin Consciousness'
*HK120215 Chengdu Sichuan Provincial Service
in Mandarin 0100 GMT 12 Mar 88*

[Text] Sichuan CPC Committee Secretary Yang Rudai made a speech on 11 March at the provincial conferences on deepening reforms in the enterprise leadership setup and on the contracted management responsibility system and reducing deficits and increasing surpluses. He stressed that to speed up the pace of overall reforms in Sichuan, the first thing to do is to further emancipate our minds, overcome the basin consciousness that has formed over a long period, and enhance our consciousness of reform and opening up.

Comrade Yang Rudai said that Sichuan is an interior province with poor communications. Historically, the degree of development of commodity economy here has been low, and natural economy has predominated. The industrial setup produced by third-line construction is greatly affected by the old structure of product economy. In addition, leftist things have had great influence here. As a result, the influences of natural and product economies, and leftism are often fused together to form our characteristic basin consciousness. This to a very great extent binds up people's thinking and hampers the deepening of reform and the development of the productive forces. Viewed from this angle, further emancipating the mind is of special significance in Sichuan.

After citing various manifestations of basin consciousness, conservatism, the closed door, and narrow-mindedness, Comrade Yang Rudai said that if it is acknowledged that there are various constraining factors on the development of socialist commodity economy in Sichuan, then we should say that the basin consciousness that exists in varying degrees among the cadres at all levels is the major one of these many constraining factors.

Comrade Yang Rudai said: The aim of emancipating the mind is to liberate the productive forces. In studying and implementing the spirit of the 13th Party Congress, we should apply the theory and basic line on the initial stage of socialism as the guide in spontaneously eliminating conservative, closed-door, and narrow-minded basin consciousness and enhancing our concepts of reform, opening up, competition, and innovation. This process is bound to be another major emancipation of the mind for the cadres and masses throughout the province. We will thus be able to enhance awareness and resolve in implementing the line of the 13th party congress, further deepening the reforms and opening up, and further developing commodity economy.

These two provincial conferences concluded in Chengdu yesterday. The delegates to the conferences heard reports delivered by Governor Zhang Haoruo and provincial party committee Secretary Yang Rudai. Secretary Yang Rudai spoke on four issues at the conclusion of the conferences yesterday:

1. On studying seriously the 13th party congress documents, implementing the spirit of the congress, further emancipating the mind, and further liberating the productive forces.

He said: The political report of the 13th party congress again stressed that the fundamental task of socialist society is to develop the productive forces. It stressed that whether the development of the productive forces is benefited should be regarded as the starting point in considering all questions and the fundamental criterion for examining all work.

2. On having a correct understanding of the situation, Yang Rudai said: Judging by the province's production, construction, circulation, living standards, macroeconomic control, structural reform, and so on last year, the entire economic situation is good. He then spoke on problems awaiting solution such as the great shortage of chemical fertilizer, plastic sheeting, diesel fuel and other major agricultural production materials, and the extreme shortage of electric power in industry.

3. On deepening reforms of the enterprise leadership setup.

He said that the aim of these reforms is to meet the demands of the 13th party congress by separating party and government functions, harmonizing relations between party and government in the enterprises, invigorating the enterprises, and stimulating the development of the productive forces.

4. On improving work style and firming up enterprise reforms vigorously.

In conclusion the meeting presented awards to the first group of provincial-level advanced enterprises in Sichuan. Provincial party and government leaders presented certificates to 34 advanced enterprises.

The Lhasa Motor Repair Works never stopped operation during the riot period. Dandzim Mulong, deputy director of the repair works, told this reporter: As a CPC member, I will fight resolutely against splittists and defend the motherland's unification even at the expense of my own life.

Some Tibetan peasants in the rural suburbs of Lhasa said: While we are so busy with our work, the rioters did nothing but evil things. What a curse they are!

Said Puncog Wangdui, magistrate of Xiangga Village in the eastern suburbs of Lhasa: "We saw the riot on television. At present, we in this village are busy making preparations for the spring ploughing. Nobody pays any attention to these rioters. In my opinion, their real purpose was to loot, although they kept independence slogans on their lips." Puncog Wangdui said many people from his village attended the ceremony of welcoming the Qiangba Buddha on that day, but they were forced to return home disappointedly as soon as the riot broke out.

In the past few days, many people from all walks of life in Lhasa went to the Armed Police General Hospital to call on the public security officers and armed policemen who were injured in the 5 March riot. The visitors wished the injured a speedy recovery.

Representatives from the Tibet Autonomous Regional CPC Committee, the regional government, the CPPCC regional committee, the regional Military District, the regional Public Security Department, the regional Armed Police Forces, the Women's Federation, the Federation of Trade Unions, the regional CYL Committee, Tibet University, and the Highway Design Institute also went to the Armed Police General Hospital to call on the injured and present gifts to them to express sympathy and solicitude.

RENMIN RIBAO Reports on Tibet Forum on Riot
HK141456 Beijing RENMIN RIBAO in Chinese
12 Mar 88 p 4

[Report: "People of All Walks in Tibet Denounce Splittists for Starting Riot in Lhasa"]

[Text] According to XINHUA NEWS AGENCY reports, nearly 100 patriotic figures of the Tibetan upper strata, from the CPPCC Tibetan autonomous regional committee, and the Tibetan branch of the Chinese Buddhist Association held a forum on the afternoon of 10 March to denounce a small number of splittists for staging riots in Lhasa again and again.

The forum was presided over by Pagbalha Geleg Namgyai, vice chairman of the CPPCC National Committee and vice chairman of the Standing Committee of the CPPCC Tibet Regional Committee. He said: The CPC central authorities have always shown great concern for the Tibetan people. Both the central and regional governments and all departments concerned in Tibet made every arrangement to ensure that this year's great prayer festival would proceed smoothly as scheduled. This has pleased both monks and laymen in Tibet very much. However, a small number of splittists deliberately staged a riot, which ran completely counter to the will of the Tibetan people.

Lhamin Soinam Lhunchub, vice chairman of the CPPCC Tibet Regional Committee, said the 5 March riot in Lhasa was a continuation of the two riots occurring last year and a planned and premeditated political incident. The regional party committee and government had shown utmost tolerance and patience toward the rioters, but the group of splittists, regarding this policy as an expression of weakness and impotence, outrageously staged a riot again. Lhamin Soinam Lhunchub said: We must inflict severe punishment resolutely on whomever is involved in the criminal activities that go counter to the people's will and undermine national unity and nationality solidarity.

Bisu Dojenor, a returned overseas Tibetan and member of the CPPCC Regional Committee, said it was due completely to the party's good policy that the Lhasa Great Prayer Festival, which had been suspended for more than 20 years, was resumed officially in 1985. Now that the vast number of Buddhists are well contented with the current policy toward religions, the activities of a small number of troublemakers are just unpopular, he said. We want lamas who abide by the law and concentrate their minds on scripture, rather than those who conduct evil doings under the guise of lamas, he noted.

The chairman of the democratic management committee of Jokhang Monastery, Lama Luosang Puncog, said: I keenly regret that a small number of lamas were involved in the riot. In taking part in beating and smashing, those lamas have violated Buddhist canon and state laws. Comoinling Dandzim Chilai, vice chairman of the Tibetan branch of the Chinese Buddhist Association, said that the riot staged by a small number of splittists carried no religious overtones; nor did these splittists represent the broad masses of Tibetan Buddhists. He called on the vast numbers of monks and laymen to expose thoroughly the criminal activities of the splittists.

Many people at some plants, villages, neighborhoods, and schools in Lhasa also expressed their strong indignation against the splittists, few in number, who staged the riot in Lhasa on 5 March.

Dianba, an old worker of the regional machine repairing works, told this reporter: The 5 March riot has aroused indignation. A small number of splittists who staged the riot cannot represent us. They are bound to fail in their attempt to disrupt the motherland.

Tibet To Commend Nationality Solidarity Figures
HK141404 Lhasa Tibet Regional Service
in Mandarin 1130 GMT 14 Mar 88

[Text] The regional leadership group for the rally on the activities of commending the advanced collectives and advanced individuals in nationality solidarity held a meeting on 12 March. The meeting decided to hold a regional rally on commending the advanced collectives

and advanced individuals in nationality solidarity at an appropriate time this year. The meeting called on the whole region to conduct reeducation in nationality solidarity on a large scale.

The members of the regional leadership group for the rally, including Wu Jinghua, Pagbalha Geleg Namgyai, Raidi, Doje Cering, Dangzin, Gyibug Puncog Cedain, and Gao Changjin, attended the meeting.

The meeting demanded: All prefectures and cities throughout the region and all subordinate departments, bureaus, and commissions of the region must attach importance to nationality solidarity. They must understand clearly and definitely the profound and practical significance for holding a rally on commending the advanced collectives and advanced individuals in nationality solidarity and turn the commendatory rally into a one opposing the splitting and sabotage of nationality solidarity and on conducting reeducation in nationality solidarity. From now on, we must do well in grasping seriously assessment and selection so that we can assess and select the advanced collectives and advanced individuals who have scored outstanding achievements in nationality solidarity and then commend them at every level. In the course of assessment and selection, we must pay attention to the quality of the advanced collectives and advanced individuals and by no means stress the figures and pursue formality.

Yunnan Governor Discusses Economic Tasks
HK130449 Kunming Yunnan Provincial Service
in Mandarin 1100 GMT 12 Mar 88

[Excerpts] Governor He Zhiqiang spoke yesterday at a short provincial course for leading cadres of prefectures and counties to study the 13th NPC documents. His speech focused on outlining arrangements for the province's economic work this year.

He Zhiqiang first reviewed and summed up economic work in Yunnan last year. [passage omitted] On arrangements for this year's work, he said that it is necessary to seriously implement the central authorities' guideline on further stabilizing the economy and further deepening the reforms, integrate reform with development, further launch the double increase and double economy drive, develop production, improve returns, stabilize prices, make proper arrangements for the markets, and ensure sustained, steady, and coordinated development of the province's economy. To attain this goal, it is necessary to get a good grasp of the following tasks:

1. Strive to maintain basic price stability. The provincial, prefectural, and county governments must attach great importance to the price issue and adopt the necessary policies to control price rises within the scope of state requirements. We must get a good grasp of production of daily necessities, especially foodstuffs, and invigorate circulation. It is necessary to strengthen controls of

production materials, and also to continue to strengthen macroeconomic regulation and control of prices, together with price inspection and supervision.

2. Develop production and stabilize the economy. In view of last year's experiences and the present problems, this year the province must focus on boosting production of grain, pigs, tobacco, electric power, and goods with a ready market.

3. Deepen and speed up the pace of reforms. Rural reforms must be closely centered on the main topic of developing commodity production. Urban economic structural reform must be focused on reforms of the enterprise operating mechanism. We must vigorously promote the contracted management responsibility system and make it complete and perfect through deepening and development. [passage omitted]

Political structural reforms must be carried out under leadership and in an orderly manner in accordance with the central guidelines and the provincial party committee's arrangements.

4. Develop vigorously various undertakings such as science, technology, and education, the better to serve economic construction. [passage omitted] We must also get a good grasp of family planning this year and control the excessively rapid population growth.

5. Do a good job in supporting poor areas. [passage omitted]

He Zhiqiang said in conclusion that it is also necessary this year to study and formulate Yunnan's economic development strategy and further promote opening up to the world. All localities should, in conjunction with local reality, further emancipate their minds, relax the policies, speed up the formation of ties, and strive for a big development in opening up to the world.

North Region

Beijing Rural Work Conference Held
SK150707 Beijing BEIJING RIBAO in Chinese
12 Feb 88 p 1

[Text] The rural work conference held by the municipal party committee and the municipal government defined the guiding ideology for the 1988 economic work in suburban areas. This ideology called for further emancipation of our minds, and deepening reforms to push grain and foodstuff production and town and township enterprises in the suburban areas to a new stage.

This 3-day conference was held under the situation in which the suburban areas scored great successes in deepening reform, various rural undertakings developed in a coordinated manner, and suburban areas were on an important period to industrialize their rural areas and to

commercialize, socialize, and modernize their production. Present at the conference were Chen Xitong, mayor of the municipality; Wang Xian, chairman of the municipal Advisory Commission; Xu Weicheng and Li Qiyang, deputy secretaries of the municipal party committee; Li Zhijian, Wang Jialiu, and Meng Zhiyuan, members of the Standing Committee of the municipal party committee; and Zhang Baifa, Huang Chao, Wu Yi, Lu Yucheng, and He Luli, vice mayors. At the conference, these leading comrades talked with responsible comrades of various suburban counties (districts), bureaus (corporations) in charge of agricultural work, and pertinent departments of the municipality, and with the cadres at the grass-roots level. This conference made a realistic analysis of the situation in rural areas, re-estimated the situation of the suburban areas, further emancipated the mind, and set forth the major principles for the new year—continue to deepen reform, open up to the outside world, and further promote the commercialization, specialization, and modernization of the economy in suburban areas.

In summing up the 1987 work of the suburban areas, Vice Mayor Huang Chao regarded the characteristics and achievements in the suburban and rural work as: The pace of economic development was accelerated and efficiency was improved; the deepening of reform infused the rural economy with new vitality and gathered more momentum for economic growth; the various undertakings developed in a coordinated manner, and all of the annual targets for these undertakings were overfulfilled; the material basis for agriculture was further strengthened and new progress was made in the modernization of the rural areas; science and technology began to enter the main battlefield of economic construction, and new progress was made in intellectual development; the pace of lateral associations was accelerated and good achievements were scored in the foreign economic relations and trade; and environmental construction and the work of making suburban areas green and beautiful reached a new level.

Huang Chao pointed out emphatically: Although we have scored great achievements in suburban economic construction and structural reform, we should have a clear understanding of our work. He said: Strictly speaking, compared with the economically developed coastal areas, Beijing's suburban areas lag behind in economic development, and particularly in the awareness of commodity economy, in the scale of opening up, and in the stage of market growth. Worse still, we are faced with challenges from competitions on domestic and world markets. If we refuse to heighten our vigilance and redouble our efforts, the gaps between our suburban areas and coastal areas will become wider and wider. Therefore, our tasks are extremely arduous. We should use new technologies and equipment to arm agriculture and industry of the suburban areas to promote the modernization of the rural areas. We should further readjust and establish a rural industrial structure which is suitable for the capital's characteristics, and should

define correct policies and goals. We should deepen rural reform constantly, and establish a new framework structure of the planned commodity economy gradually. To this end, we must make a conscientious analysis of the suburban areas' situation, to find out where we lag behind, to enhance our consciousness in successfully doing our work, and to avoid blindness in our work through re-understanding of our shortcomings.

Vice Mayor Huang Chao pointed out: This year, in implementing the guiding principle for economic work of the suburban areas, we should pay attention to enhancing our understanding and exerting great efforts in the fields of "opening-up, development, associations, and organizations." First, we should expand the scale of opening up, actively find out new markets, and regard this work as an important content of the future rural reform. Through opening up to the outside world, we should expand our markets, and raise our technological and managerial levels to promote a comprehensive development of the rural economy in the suburban areas, and increase economic results. We should eliminate various kinds of ideological obstacles to opening up. Second, we should pay attention to economic development and make full use of natural resources. We should pay equal attention to developing agriculture and town and township enterprises, and take advantage of the favorable conditions of the suburban areas to develop mineral resources. Another emphasis of development is science and technology. Third, we should develop economic associations, and raise the efficiency of scale management. Fourth, we should accelerate the organization of the socialized mass production.

Referring to the work of eliminating ideological obstacles to opening up, Huang Chao stressed the necessity of eliminating the "statement that Beijing is special." He said: Beijing's suburban areas are different from special economic zones and open coastal areas, and thus cannot copy indiscriminately their specific methods. However, this does not mean that we have no conditions for opening ourselves still wider to the outside world. Beijing is the center of contacts between domestic and foreign areas. It is also a hub of communications of our country. Although Beijing does not border on the sea, it is very close to Tianjin and Qinhuangdao harbors. And, China's biggest airport is located here. In Beijing, there are numerous diplomatic missions and commercial firms; economic activities concerning foreign nationals are very frequent; more than 1 million travelers visit here annually. All of them are special favorable conditions for opening ourselves still wider to the outside world. Therefore, in developing the economy of the suburban areas, we should handle relations in several fields correctly. Where possible, all localities should develop vigorously foreign trade and export on the premise of ensuring the demands of the capital's market. Meanwhile, town and township enterprises should continue to depend on cities to promote the joint management of industry and agriculture and the combination of urban areas with rural areas. These enterprises should

also break with regional barriers to join the competition on domestic and world markets to improve the self-development ability amid opening up and competitions.

During the conference, responsible comrades at various levels conscientiously studied and discussed important opinions set forth by Comrade Zhao Ziyang regarding the issues on the strategy for economic development of the coastal areas, thus further enhancing their ideology and understanding. At the same time, participants realized that it is a new and important task to utilize the suburban areas's superiority to develop labor-intensive industries and export-oriented economy. They pledged to seize this favorable opportunity to push the suburban areas' economy onto the world market in a well-guided and planned manner, in line with the reality of the municipality, and with a high degree of the sense of responsibility and urgency.

This conference arranged for the 1988 rural work of the suburban areas; and called on all districts and counties as well as all pertinent departments to develop the scale management by centering on the four fields of "opening up, development, associations, and organization," to spread the specialized production and scale management positively and properly to all rural undertakings. We should encourage town and township enterprises to develop themselves towards the orientation of large groups. We should combine production of agricultural products positively with the marketing of such products, and strengthen organizational management and the general ideas on developing export-oriented enterprises and agriculture to earn foreign currency.

Comrades Chen Xitong, Wang Xian, and Xu Weicheng delivered important speeches on developing export-oriented economy in the suburban areas of Beijing.

At the conference, the municipal party committee and the municipal government commended Shunyi, Tongxian, Yanqing, and Changping counties, the farm bureau, and Chaoyang, Haidian, and Fangshan districts. Each of these units topped 1 billion yuan in their 1987 total industrial and agricultural output value and their growth in total industrial and agricultural output value surpassed the average growth rate of the whole suburban areas. To encourage sustained and stable growth in grain production, the municipal party committee and government also issued award cups and bonuses to Shunyi, Yanqing, Huairou, and Tongxian counties and to Chaoyang District; their per-mu yield of corn surpassed 375 kg, and whose per-mu yield of paddy rice exceeded 425 kg each.

Beijing Using S&T To Increase Output
OW131049 Beijing XINHUA in English 1213 GMT
12 Mar 88

[Text] Beijing, March 12 (XINHUA)—Beijing's citywide plan to gear science and technology to production was called a success by today's BEIJING SCIENCE NEWS [BEIJING KEJI BAO].

According to the paper, the plan was designed to reorganize 10 major trades, turn 100 larger enterprises into complexes which integrate science and production, develop 1,000 key techniques and create 10,000 new products.

The city's textile, machinery and chemical industries all have seen benefit from the plan, the paper said.

The Beijing vinylon mill beat price decreases on its products and price increases for raw materials by investing five million yuan (about 135,000 U.S. dollars) to turn out more than 40 new products.

The mill's 1987 profits were two times the 1986 figure, while many of the country's other vinylon mills reported losses.

The city's general chemical corporation logged one million yuan (about 270,000 U.S. dollars) more in output value last year thanks to completion of projects under the plan.

Nei Monggol's Wang Hears Work Briefings
SK150617 Hohhot NEIMENGGU RIBAO in Chinese 9
Feb 88 p 1

[Excerpts] After listening to work briefings given by responsible comrades of Hulun Buir League and Wuhai City, leaders of the autonomous regional party and government called for further emancipating thinking, developing productive forces and accelerating the pace of reform. They also called for efforts to use reform and opening up to stimulate development, change the superiority of natural resources into economic superiority, and strive to realize the three immediate fighting objectives of the autonomous region.

On 7 and 8 February, leaders of the autonomous regional party and government, including Wang Qun, Bu He, Qian Fengyong, Liu Yunzhao, Pei Yingwu, and Alata-naoqier, heard work briefings given by responsible comrades of Hulun Buir League and Wuhai City in Beijing. They were satisfied with the efforts of Hulun Buir League and Wuhai to study documents of the 13th party congress, to actively implement the guidelines of the enlarged plenary session of the regional party committee and to formulate plans and measures to speed up the pace of reform and opening up in their own league and city and realize the three immediate fighting objectives of the autonomous region.

The leading comrades pointed out: Hulun Buir League has rich natural resources, on land and underground. It has promoted the coordinated development of agriculture, animal husbandry, forestry and industry. It is a precious part of our region. We should break with convention and make rapid and big strides forward in developing this land. It should formulate an overall development plan and continue to implement and fulfill

the plan step-by-step. it should develop lateral cooperation, select the easy ones first, import funds and technology and bring in trained personnel in an effort to promote agricultural and industrial development and the utilization and development of forestry resources. [passage omitted]

Leading comrades said: Wuhai City has rich natural resources underground with a definite industrial foundation. It should consider coal, chemical and building material industries as the emphasis and the development of power industry as a breach point where it should exert efforts, process and convert the mining resources locally, and produce high-energy calcium carbide and ferroalloy and other commodities to occupy the domestic and international markets. [passage omitted]

Responsible comrades of the relevant regional party and government departments also attended the report meeting.

Northeast Region

Jilin People's Congress Standing Committee Meets
SK150629 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 14 Mar 88

[Text] One second Standing Committee meeting of the seventh provincial People's Congress opened in Changchun this morning.

Huo Mingguang, chairman of the Standing Committee of the provincial People's Congress, presided over the meeting. Cui Lin, vice chairman of the Standing Committee of the provincial People's Congress, relayed the guidelines of the 25th Standing Committee meeting of the 6th NPC.

At the meeting, Standing Committee members heard the explanation by (Yang Zexiang), vice chairman of the Financial and Economic Commission under the Standing Committee of the provincial People's Congress, on the suggestions on revising Jilin Province's draft regulations on the management of urban house property. They also heard the explanation made by Zhang Jiande, secretary general of the Standing Committee of the provincial People's Congress, on the discussion of the provincial People's Congress Standing Committee's draft rules.

The meeting will examine and discuss the draft regulations of Jilin Province on the management of urban house property, and the Jilin Provincial People's Congress Standing Committee's draft rules for discussion. It will hear, discuss, and examine the report of the provincial Water Conservancy Department on implementing Jilin Province's regulations on river course management, the report of the Press and Publication Bureau on strictly dealing blows to illegal publication activities, and the report of the provincial Higher People's Court on the establishment of the People's Courts at various levels.

The meeting will also examine and discuss the draft namelists of members of the credentials committee of the Seventh Jilin Provincial People's Congress Standing Committee and the draft namelists of personnel appointments and removals.

Attending the meeting were 46 people, including Vice Chairmen Cheng Shengsan, Cui Lin, Yu Ruihuang, Zhu Jinghang, Chen Zhenkang, and Ke Muyun; Zhang Jiande, secretary general of the provincial People's Congress Standing Committee; and some Standing Committee members. Attending the meeting as observers were Liu Xilin, vice governor; and Xie Anshan, president of the provincial Higher People's Court; Li Shangwu, chief procurator of the provincial People's Procuratorate; and responsible persons of provincial-level departments, all city and autonomous prefectural People's Congress Standing Committees, and the office in charge of the People's Congress Work in Baicheng Prefecture.

Liaoning CPC Committee Holds News Conference
SK150753 Shenyang Liaoning Provincial Service
in Mandarin 1030 GMT 12 Mar 88

[Text] On the morning of 12 March, entrusted by the provincial party committee, Yu Xiling, secretary general of the provincial party committee, held a news conference. He informed the journalistic circles of the main tasks of conducting future reforms in the political system.

During the conference, Yu Xiling stated: The provincial party committee has put forward the draft plan for conducting future reforms in the political system. At present, we are organizing all forces to implement the plan step by step. The provincial party committee has defined the guiding ideology of reforms in the political system as the gradual doing away with existing malpractices and shortcomings in line with the general target of building socialist democratic politics. It is based on the premise of bringing into play the strong point of the existing political system; to overcome bureaucracy and the lingering feudalist influence; to establish the leading system which is favorable to upgrading work efficiency, to strengthening vitality, and to bringing into play the enthusiasm of various circles; to consolidate or develop the political situation of stability and unity; and to promote the development of social productive forces. The basic way for the future provincial party committee to carry out its work is to emphatically do a good job in separating party affairs from government work in line with the principle of first handling easy matters and then the difficult ones, as well as of first establishing the wanted units and then disbanding the duplicated ones, and by regarding the reform in the existing leading system as a main task; to delegate power to the grassroots level units; to convert the function of departments; and to conduct reforms in the personnel affairs system.

During the conference, Yu Xiling stated: The provincial party committee held that the key to conducting reforms in the political system lies in first separating party affairs

from government work. In 1988 the province should mainly do a good job in grasping the work in the following two aspects: 1) In separating party affairs from government work at provincial and city levels; and, 2) in perfecting the plant director responsibility system to further straighten out the relationship between the party and government among the enterprises. In separating party affairs from government work at the provincial level, we should concentrate on making a clear distinction between the function of the party and government. The provincial party committee has decided to disband the rural work commission with the duplicated leadership of both the party and government and to establish the rural policy research office under the provincial party committee. The office in charge of handling the letters and visits by the people and the archives bureau, which have the duplicated leadership of both the party and government, should be put under the administration of the people's government. The provincial party committee has agreed in principle to change the party committees of organs under the provincial party committee and the provincial people's government into work committees under them. Efforts should be made to gradually disband the party groups of departments under the provincial people's government and to consolidate the establishments and institutions directly under the provincial party committee. Meanwhile, a good job should be done in conducting reforms in the personnel affairs system, actively introducing the competitive mechanism, gradually delegating power governing personnel affairs management to the grassroots level units, promoting the reform in the employment of leading cadres, enforcing on a trial basis the examination system in employing personnel for party and government organs, and in promoting the reasonable transfer of talented personnel.

During the conference, Yu Xiling stated: The provincial party committee has held that the drive to conduct reforms in the political system is an arduous and complicated task. We must organize the task and enhance leadership over it carefully. Efforts should be made to implement earnestly the principle of fulfilling resolutely the task by taking careful steps. Problems which have been proved serious should be boldly and resolutely corrected. In practically fulfilling the task, it is imperative to take adequate and careful steps, to be meticulous in work, and to push forward the work in a stable and peaceful way to ensure the smooth progress of reforms in the political system.

Northwest Region

Gansu Governor Views Economic Development
HK130243 Lanzhou Gansu Provincial Service
in Mandarin 0000 GMT 13 Mar 88

[Text] A provincial meeting of prefectural commissioners, city mayors, and industry and communications department and bureau directors, convened yesterday. At the meeting, Governor Jia Zhijie proposed that

Gansu should seize the favorable opportunity presented by China's joining the great international circle, welcome the challenge, and speed up the development of the province's economy.

Governor Jia said that the participation of the coastal regions in the great international circle gives Gansu the chance to shift its industrial structure, readjust its product mix, increase its share of the market, readjust the pattern of its capital goods distribution, improve its capacity for scientific and technological development, speed up the exploitation of its resources, and promote the export of labor services and so on. At the same time this also presents us with a stern challenge, mainly expressed in the fields of investment, enterprise quality, economic endurance capacity, talent, and infrastructure.

Jia Zhijie said: This opportunity is only a possibility. We have to fight for it. We must translate the opportunity into reality and translate the challenge into motive force. For this reason, all localities must have a high sense of urgency and crisis, put reforms in command of the whole situation, gradually expand our markets, boost our economic strength, and speed up our development pace. Jia Zhijie demanded that the province do a good job in the following respects:

1. We must integrate the province's resources with the coastal regions' capital so as to speed up the exploitation of our resources.
2. We must speed up the readjustment of our industrial structure. We should develop light industry amid heavy industry, develop collective economy amid economy under whole-people ownership, and develop auxiliary industries amid the mainstay industries.
3. We must further emancipate our minds, readjust the ownership structure, and vigorously develop collective, individual, and private economy in the urban areas.

The leaders at all levels must vigorously support the masses' reform spirit. Where reforms cannot be correctly identified for the time being, we can allow experiments. If reforms are controversial, we can try them out first. If the conditions are lacking for the time being, we should actively work to create them, and then go ahead with the reforms.

The province should study the establishment of a talent market to ensure that able hands can become enterprise operators through competition. We must publicize able people with great fanfare and ensure that the bonus policy is made good. We should do a good job in selecting and appointing deputy governors of counties and townships which are well versed in science and technology.

He said: We must not rest content with being backward. This is because Gansu has strong points in raw materials and labor resources. We also have a unique science and

technology force. So long as we grasp the chance well, break down old traditional concepts, and speed up the pace of reform and opening up, we will be able certainly to promote the rapid development of the productive forces.

Speaking to reporters in Lanzhou yesterday afternoon, Governor Jia Zhijie said that the key to tapping the potentials for Gansu's economic development lies in emancipating our minds. He said that in light of the theory on the initial stage of socialism, the policies for Gansu should be still more relaxed than in the coastal regions, yet we do things in a more rigid fashion that they do. We should now carry out in depth the discussion on the productive forces criterion. We should vigorously apply those methods that work well in South China, and relax the policies even more than they have. This is because our economy is more backward than theirs. The media should step up propaganda on this topic so that everyone can deepen their understanding of the issue.

Governor Jia Zhijie also proposed the concept of two great circles. One of these is the international one, and the other the domestic one. The great domestic circle should stimulate the great international circle, and the great international circle should lead forward the great domestic circle. In the great domestic circle, it is necessary to handle well the relations between east, central, and west China. Gansu should seize this chance to export labor to the coastal regions and to fill with our products those vacuums that have appeared temporarily in those regions. We should use the raw materials, which may possibly increase, to engage in processing and upgrading of value.

Governor Jia also gave his views on agriculture, especially grain and water conservancy, and the province's strong points in resources for the nonferrous metals, electric power, chemical, and other industries.

Shaanxi Propaganda Chief on Problems, Tasks
HK120343 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 12 Mar 88

[Text] Mao Shengxian, member of the Standing Committee of the provincial party committee and director of the Propaganda Department, gave a speech at the provincial conference of Propaganda Department directors. In the speech he pointed out: The important task on the ideological front at present is to further emancipate the mind. Emancipation of the mind must be closely centered on economic construction and serve the promotion of reforms and opening up.

Mao Shengxian said: Emancipation of the mind is an indispensable precondition for liberating the social productive forces and also for making a success of all work. At present, we must tightly grasp this focal point, do a good job in leading work on the propaganda front and leading the propaganda and implementation of the 13th party congress documents. We must further emancipate

the mind to lead forward the flourishing development of socialist modernization. At present there are five focal issues on which we should stress emancipating the mind. These are questions of: 1) Upholding the productive forces criterion; 2) the fine opportunity presented to us by the development of export-oriented economy in the coastal regions; 3) promoting and perfecting the enterprise contracted management responsibility system; 4) guiding agricultural production according to the law of value; 5) separating party and government functions and party building.

Comrade Mao Shengxian said: An important issue that has puzzled us for a long time and still does, to a certain extent, is that as soon as some reform measures for developing the productive forces are proposed, certain comrades are always worried and greatly perplexed about whether these measures are socialist or capitalist. The fundamental cause of this state of affairs is that these comrades have departed from the productive forces criterion, or else do not acknowledge it. We must clearly explain to the cadres and masses that the productive forces criterion is itself a socialist criterion. There is no reason why people should fear to develop the productive forces or harbor the concept of linking this development to capitalism and hence worry about everything except constraining the development of the productive forces. Such things are a sign that our minds are not emancipated. The result can only be damage to the socialist cause.

On further emancipating the mind regarding the fine opportunity presented to the province by the development of export-oriented economy in the coastal regions, Mao Shengxian said: The central authorities have proposed the general strategic idea on developing export-oriented economy in the coastal regions. In the face of this situation, in our interior province, the question of how to meet the demands of this development strategy and take advantage of this favorable opportunity to promote our economic development is without doubt a major issue related to the overall situation in Shaanxi. The comrades engaged in practical and theoretical work must study this important issue. In our ideological and media work, we must guide everyone to have a strong sense of urgency and also to develop strong resolve and confidence in the face of this opportunity. We must guide everyone to understand the favorable opportunity presented to the interior by the development of export-oriented economy in the coastal regions. On the question of how we should use this opportunity, we should guide everyone to use well and flexibly the central authorities' principles and policies set for us so as to promote our opening up to the world and develop our economic construction and all work.

Mao Shengxian said that in emancipating our minds on the question of economic reforms, we should at present actively promote and perfect the contracted management responsibility system in the enterprises. We should enable everyone to fully understand that promoting this

system is not just the urgent requirement of improving the enterprises' operational mechanism but is also of extremely great significance for the overall situation in economic development and reforms. It is an important measure for tiding over various difficulties in reform. As everyone has said, finance depends on industry, industry depends on reforms, and reforms depend on contracting. We must be resolved to make a thorough success of this business.

Mao Shengxian particularly pointed out: On the question of introducing the competitive mechanism into contracting and instituting public bidding for contracts on an extensive scale, many comrades have the idea that the upper-level leaders are afraid of chaos, the departments in charge are afraid of losing their powers, the enterprise managers are afraid of adversaries, and the worker masses are afraid of tangled warfare. In view of this problem, Mao Shengxian said that if there is competition, there is risk; if there is opportunity, there is risk. This requires that, when introducing the competitive mechanism, we do our work very carefully and meticulously. Practice has proved that so long as we pay attention to this problem, big risks are completely avoidable, and the invigoration brought along by the competitive mechanism is boundless.

On guiding agricultural production according to the law of value, Mao Shengxian said: We must clearly explain to the cadres and masses that the aim of readjusting the prices of some agricultural products gradually and giving the masses appropriate price subsidies simultaneously is to resolve the problem of irrational price structure gradually, and especially that of irrational comparative price structure for industrial and agricultural products. It certainly does not mean that prices of everything can be arbitrarily hiked. Such an interpretation is a very great mistake. It is essential to do a good job in thorough and careful ideological work for this extremely sensitive issue, so that everyone will understand the necessity and correctness of this policy and will enhance psychological acceptance of it.

Mao Shengxian said: The main obstacle hampering the separation of party and government functions is the traditional concept of the party's centralized leadership. People's greatest worry is that separation of party and government functions will weaken party leadership. Through studying the 13th party congress documents, and especially through the practice of separating party and government functions, everyone has started to understand that such a worry is unnecessary, and people's awareness on separating these functions is being gradually enhanced.

What merits attention currently is that in many places and units, following the separation of party and government functions, the principle of ensuring that the party governs itself has not been seriously implemented. Strengthening party building is an urgent task that must be given high importance in the new situation. In

strengthening party building, we must follow the new path of relying on reforms and the building of systems. The basic demand of this new path is to discard the old method of organizing political campaigns and to reduce the amount of soil generating unhealthy trends by deepening reforms and improving the building of systems. We must consciously integrate party building with reforms and prevent and eliminate bureaucratism by doing a good job in political structural reform; we must prevent and eliminate abuse of economic power by doing a good job in economic structural reform; and we must prevent and eliminate unhealthy trends in employing people by doing a good job in reforming the cadre and personnel systems, and so on. On this basis, by upholding the principle of governing the party with strictness and rigorously enforcing party rules and regulations, a new situation will certainly appear and a new standard will be reached in party building.

Preferential Policies To Open Up Xinjiang
HK150945 Beijing JINGJI CANKAO in Chinese
26 Feb 88 p 1

[Report by Wang Youfu (3076 2589 1381): "State Council Promulgates Nine Preferential Policies for Xinjiang"]

[Text] According to the Xinjiang Uygur Autonomous Regional Government, to encourage Xinjiang to open up wider to the outside world, the State Council has recently promulgated nine relevant preferential policies. While further opening itself up eastward, Xinjiang will continue to open up westward—vigorously developing its trade, economic, and technological cooperation with the Soviet Union, Eastern Europe, and the Middle East countries—to strive for a new breakthrough in opening up to the outside world so as to create a new situation in which the region will be able to win advantages from both sides.

To give fuller play to Xinjiang's advantages, in mid-November last year the State Council twice called a meeting of the departments concerned specially to discuss how to open up Xinjiang wider to the outside world and the preferential policies and necessary support that the state would provide to Xinjiang. Recently the state promulgated nine preferential policies for Xinjiang as follows:

—The State Council has approved the project of extending the railway line in the northern part of Xinjiang, which will be linked with the Soviet rail system. The second phase of the project, including the section linking Wusu with the Alashan Pass, will be included in the state plan and jointly built by the state and Xinjiang.

—Urumqi International Airport will be expanded and more airplanes will be bought in an effort to open an air service between Urumqi and Alma-Ata in the Soviet Union.

—Preferential treatment, such as exemption from customs duties for imports of materials, which is at present being given to enterprises with foreign investment in the four cities of Urumqi, Yining, Shihezi, and Kashi, will be extended to another five cities—Aksu, Korla, Changji, Turpan, and Hami.

—Some export commodity production bases will be built in Xinjiang, and the state will provide the region with a certain amount of funds with a view to forming a complete production network.

—The Xinjiang Government is allowed to examine and approve the setting up of the region's economic and foreign trade offices in foreign countries except Hong Kong and Macao and other countries which have no diplomatic relations with China.

—Import formalities in Xinjiang will be simplified and the region is allowed to examine and approve import

items with the exception of some goods, as well as steel and timber, whose import is restricted by the state, but Xinjiang must now report its plans for the import of these things to the state for approval once a year.

—Approval is given for Xinjiang to vigorously develop cotton production and increase its export of cotton, and the state will make allowance for Xinjiang's export of cotton.

—Approval is given for the opening of Huoerguosi Port and Tuergate Port, which are located on the Sino-Soviet border, to persons from third countries (regions). With legal certificates, persons from third countries (regions) may deal with their entry formalities in the aforementioned ports.

—Approval is given for providing Xinjiang with a certain amount of foreign exchange for its regular use.

Fang Yi on Participation in Taiwan Tournament
*OW100844 Beijing in Mandarin to Taiwan 1500 GMT
7 Mar 88*

[Excerpt] Fang Yi, honorary president of the Chinese Weiqi Association, indicated today that mainland go players will participate actively in the world professional go tournament sponsored by (Ye Changxi) of Taiwan. At the award ceremony for the Ninth (Xin Qi) Cup Go Tournament, Fang Yi said: We shall participate actively in the tournament sponsored by Taiwan compatriots, and our players shall strive for better performance. [passage omitted]

TA KUNG PAO on Wu Xueqian's Remarks on Taiwan
*HK111416 Hong Kong TA KUNG PAO in Chinese
11 Mar 88 p 2*

["Political Talk" column by Shih Chun-yu (2457 0689 3768): "Wu Xueqian Responds to Li Teng-hui's Remarks"]

[Text] Answering Taiwan Reporters' Questions [subhead]

Chinese Foreign Affairs Minister Wu Xueqian held a grand news conference in Washington prior to his departure from the United States for Britain, at which some 200 reporters from many countries in the world were present, including Taiwan CENTRAL DAILY NEWS, UNITED DAILY NEWS, and ECONOMIC DAILY reporters stationed in the U.S. capital city. At the news conference, Wu Xueqian answered Li Teng-hui's remarks made last month concerning Taiwan's request that the mainland should abandon the use of force, the "four adherences," and the concept of "one country, two systems" in settling the Taiwan issue. Wu Xueqian stressed that striving to resolve the Taiwan issue and to realize the reunification of the motherland by peaceful means is an established policy China will continue to pursue.

Proposals concerning relations between the mainland and Taiwan raised by top leaders on both sides of the Taiwan Strait have drawn attention from various quarters. These are remarks made by leaders of both sides within a short span of time this year in response to the question of the reunification of China. This indicates that relations between the mainland and Taiwan people are really developing steadily.

At a news conference attended by Taiwan and foreign reporters on 22 February, the first granted by Li Teng-hui since his appointment as "president," he said that people-to-people contacts between the two sides of the strait, including cultural and academic exchanges, would be studied further, and that he had no intention of interfering in people-to-people economic activities between the two sides of the strait, although when referring to the mainland's policies he emphasized the

"three no's," reiterated his opposition to the CPC's "four adherences," and pointed out that the concept of "one country, two systems" was not appropriate.

Contacts Between People on Both Sides of the Strait Have Increased [subhead]

These were the first remarks on Taiwan domestic and foreign policies Li Teng-hui had made since his assumption of office after Chiang Ching-kuo's death. Although his basic principles on the mainland's policies are more or less the same as Chiang Ching-kuo's, what he is doing is more flexible than his predecessor. Take family visits as an example. According to Taiwan's new regulations on family visits, most serving civil servants and high-ranking KMT [Kuomintang] officials are allowed to apply for family visits to the mainland. An overall review of Taiwan policy toward the mainland will be made at the "13th KMT Congress" to be held in July this year. As auspicious signs have appeared between the two sides of the Taiwan Strait for the first time in 40-odd years, people in press circles in Taiwan have made many suggestions on nongovernmental exchanges with the mainland, including inviting people in the sports and academic fields from the mainland, allowing mainland compatriots to attend their parents' funerals in Taiwan, and inviting foreign students studying on the mainland to come to Taiwan. These demands are reasonable and show the ardent feelings of the Taiwan people.

The Situation on Both Sides of the Strait Is Changing Swiftly [subhead]

The background of these suggestions is the lively atmosphere that has appeared following recent family visits. Such being the case, it is impossible to halt further exchanges and contacts. This new trend will certainly bring about a constant change in the situation on both sides of the Taiwan Strait.

Being aware of this situation, U.S. President Reagan said during a meeting with Wu Xueqian: "The United States welcomes the contacts between people that have taken place between the two sides of the Taiwan Strait since last year, and we hope this trend will continue. The United States will make efforts to help bring about an environment beneficial to the above development." If the United States can fulfill this point, this will be very good for the peaceful reunification of the people on both sides of the strait. Therefore, Wu Xueqian expressed immediately the hope that the United States will do something in this connection.

Today the trend for reunification of the people on both sides of the strait is becoming increasingly stronger. Although the basic stand of both sides has not changed, and each seems to be playing his own tune, the common wish cherished by compatriots on both sides of the strait and by Overseas Chinese and people of Chinese origin is the real force pushing history forward.

Taiwan Residents' Pre-1949 Crimes Not Prosecuted
OW150149 Beijing XINHUA in English 1155 GMT
14 Mar 88

[Text] Beijing, March 14 (XINHUA)—The Supreme People's Court and the Supreme People's Procuratorate today announced a joint decision not to prosecute crimes committed on the mainland by those now in Taiwan before the founding of the People's Republic of China in 1949.

Following is the full text of the announcement:

More and more Taiwan compatriots are now coming to the mainland to visit their relatives or for tours. This will foster the exchange of mail, trade, and air and shipping services across the Taiwan Strait, and the sacred cause of peaceful reunification of the motherland.

For this reason, it has been decided, in accordance with the stipulation regarding the Statute of Limitations—Article 76 of the "Criminal Law of the People's Republic of China"—that those who committed crimes on the mainland and left for Taiwan before the founding of the People's Republic of China will not be prosecuted for those crimes.

Taiwan compatriots coming to the mainland ought to abide by state laws, while their legitimate activities, such as visiting their relatives, tours, trade, and investments, are all protected by law.

Taiwan Firms Trade With Mainland 'Indirectly'
OW120509 Beijing XINHUA in English 1449 GMT
11 Mar 88

[Text] Hong Kong, March 11 (XINHUA)—About 30 percent of Taiwan companies now trade with the mainland indirectly, and 70 percent of them want to do so, too.

This is the result of a survey by Taiwan's foreign trade association that covered 500 firms on the island, the Taiwan-based "ECONOMIC DAILY NEWS" has reported.

According to the survey, Taiwan firms trade with the mainland via Hong Kong firms or business or sales agents of mainland companies in Hong Kong.

Most Taiwan companies do so for stable supplies of raw materials from the mainland, which are relatively cheap, and 37 percent of the surveyed firms say they intend to disperse the marketing.

Minister Ding on Reagan's Talks With Wu Xueqian
OW140813 Taipei Domestic Service in Mandarin
2300 GMT 10 Mar 88

[Text] At a regular meeting of the Executive Yuan on 10 March, Foreign Minister Ding Mou-shih made a report on the recent relevant talks between U.S. President Reagan and Wu Hsueh-chien, puppet foreign minister of Communist China, and on U.S. reaffirmation that there is no change whatsoever in the U.S. policy toward our country.

In his report, Minister Ding Mou-shih said: The Foreign Ministry was deeply concerned over U.S. White House spokesman Fitzwater's statement on 8 March regarding Reagan's remarks about our country during his talks with Wu Hsueh-chien. It did not conform to the consistent standpoint of the U.S. Government. The Foreign Ministry had made a solemn and serious response to the United States in both Taipei and Washington, urging the United States to clarify this issue immediately.

Later, Minister Ding pointed out, the United States replied to our country through channels in both Taipei and Washington, saying that there is no change whatsoever in the U.S. policy toward our country. Fitzwater's statement was not true.

Minister Ding said: White House spokesman Fitzwater made a correction in public in the United States on 9 March. In effect, he said that the President of the United States says he welcomes the contacts that have taken place between the mainland and Taiwan over the past year; that the President of the United States hopes there will be further progress in an atmosphere of eased tension; and that the United States will continue to explore ways to promote such atmosphere.

Radio on Formulating New Mainland Policy
OW141045 Taipei Domestic Service in Mandarin
2300 GMT 3 Mar 88

[Station commentary: "A Mainland Policy With the Focus on National Security"]

[Text] Since the government, out of humanitarian considerations, relaxed its measures on visiting mainland relatives, more and more compatriots have traveled to the mainland. As a result, quite a few legal problems have arisen. The relaxation of measures has prompted the pressing task of overhauling our mainland policy.

Up to now, there have been such legal problems as cases of children on the mainland requesting, through lawyers in Taiwan, to inherit the legacy of their parents who died in Taiwan. There is also the case of a woman visitor whose twin sister on the mainland used her passport to sneak into Taiwan.

The two sides of the strait are bound not only by blood, but also by economic and trade ties. This issue has received growing public attention recently. Whether a problem involves blood ties or inheritance, it should be linked directly to a well-conceived mainland policy.

However, government departments have been confronted with difficulties caused by erroneous actions taken by individuals under complex circumstances before the government has formulated a policy, or by fait accompli actions taken deliberately by individuals out of their own interests in order to sound out the government's stand. As a result, it is possible that only temporary remedial measures are taken, causing even more problems and affecting the country's long-range interests.

Premier Yu replied to a recent legislator's request that the Executive Yuan review the relations between the two sides of the strait and study the feasibility of direct trade with the mainland. Premier Yu, in addition to explaining the economic and legal arguments against direct trade, pointed out: The Chinese Communists scheme to apply pressure on our country by negating our existence as a country in the international arena, carry out infiltration and subversion in our internal affairs, declare repeatedly that they do not rule out the use of force against us, carry out military exercises continuously, and work out a plan to invade Taiwan by force. Therefore, any policy measure regarding Taiwan taken by the Chinese Communists is a component part of their united front work.

Acting on the Executive Yuan's instruction on stepping up the study of legal problems involving relations between individuals on the two sides of the strait, the Ministry of Justice has set up a special group to take up this task. However, the special group is concentrating efforts only on finding solutions to the various legal problems that have already cropped up. As for solutions to comprehensive legal problems between the two sides of the strait, they will be decided on by policymakers at a higher level. This is why Justice Minister Shi Chi-yang said at a news conference that legal cases involving the two sides of the strait will be solved through indirect means. The special group is incapable of working out a plan to solve such problems fundamentally because they involve the mainland policy as a whole.

Formulating a mainland policy is a pressing task, and there are two major obstacles as far as legal problems are concerned: the lack of reference materials and that of experts on Chinese Communist legal affairs. The imprudent actions taken by private organizations and the hurried trips made by some compatriots with relatives on the mainland have often prompted other compatriots to follow suit blindly.

In view of the Chinese Communists' continued ambition to invade Taiwan, we must bear in mind that any improper move regarding relations between the two

sides of the strait will affect the national security inevitably and cause irreparable damage. For this reason, we would like to appeal once again that a mainland policy must be formulated on the premise that it takes national security into account. Private organizations should not act with undue haste. They should coordinate with the government in formulating a well conceived mainland policy so as to safeguard our compatriots' rights and interests.

Mainland Reporters Not Allowed Entry To Work
OW141451 Taipei CNA in English 1423 GMT
14 Mar 88

[Text] Taipei, March 14 (CNA)—The Government of the Republic of China [ROC] will not permit the entry of Chinese Mainland reporters to cover news in Taiwan as freedom of speech and the press do not exist on the mainland, the Cabinet declared Monday.

In a written reply to an interpellation by Legislator Lin Yung-jui, the Cabinet said that it is one of the united front tactics of the Chinese Communists to allow mainland reporters to cover news in Taiwan.

The Cabinet said that foreign journalists have encountered difficulties covering news on the Chinese Mainland. It is thus an inappropriate time for Republic of China newsmen to report news from the mainland.

As to the mass media on the communist-held mainland, they are all controlled by the Chinese Communist regime and journalists could not report news objectively even if they were permitted to enter Taiwan for news gathering activities, the Cabinet wrote.

Government Watching Conflict in Spratlys
OW150511 Taipei CNA in English 0440 GMT
15 Mar 88

[Text] Taipei, March 14 (CNA)—The Republic of China [ROC] Armed Forces are carefully watching developments in the military confrontation between the Chinese and Vietnamese Communists in the South China Sea, military spokesman Maj. Gen. Chang Hui-yuan said Monday.

"The Defense Ministry has put its garrison troops stationed in that region on full alert," Chang told the press.

Chang's statement came after foreign wire service reported that Chinese and Vietnamese communist warships clashed Monday around the Spratly Islands in the South China Sea.

Top Nuclear Scientists Called on To Resign
HK150407 Hong Kong HONGKONG STANDARD
in English 15 Mar 88 p 6

[Text] Taipei: Opposition MP's yesterday called on Taiwan's two top nuclear officials to resign over the disappearance of a nuclear scientist suspected of spying for the United States, a parliament official said here.

Three Democratic Progressive Party (DPP) members made the demand in a statement, saying the officials should resign because the controversy surrounding the scientist's disappearance had damaged Taiwan's national interests, the official said.

The cabinet should also investigate the scandal and clarify the nature of documents about Taiwan's nuclear programme allegedly passed onto Washington, DPP members Yu Cheng-hsien, Wu Shu-cheng and Hsu Kuo-tai said in the statement.

The two officials named were Yen Cheng-hsing, chairman of the Atomic Energy Council, and General Hau Pei-tsun, director and chief-of-staff of the Nuclear Energy Research Laboratories of the Chungshan Institute of Science and Technology, the official said.

The deputy director of the Nuclear Energy Research Laboratories, Colonel Chang Hsien-yi, has not been seen or heard of for two months and there is no record of his having left the country.

He has been wanted by military officials for "failing to report to work after leave" after a vacation to Japan ended on January 10.

The LIBERTY TIMES newspaper said on Saturday that Col Chang was recruited by the US Central Intelligence Agency (CIA) when he studied in the United States seven years ago.

The CIA has refused to confirm or deny the reports.

After Col Chang returned from a conference in the United States in October, a nuclear research laboratory at the institute—Taiwan's top military research centre under the Defence Ministry—was destroyed, the newspaper said.

Delegates from the United States and the International Atomic Energy Agency raided the institute late last year and asked to see a laboratory accessible only to a few top personnel, the newspaper said.

The LIBERTY TIMES said yesterday that Col Chang and his wife had telephoned and written to friends here from the United States.

Mrs Chang had written that the whole family was taken good care of immediately upon their arrival but she did not reveal their whereabouts, the newspaper quoted "authoritative sources" as saying.

She said her husband now had a better job and their three children were attending school, the newspaper reported.

Foreign Minister Ding Mou-shih told legislators yesterday that Taiwan and the United States, which do not have official diplomatic relations, had not approached each other about the issue.

Taiwan Not To Participate in 1990 Asian Games
*HK141034 Hong Kong AFP in English 1025 GMT
14 Mar 88*

[Text] Taipei, March 14 (AFP)—Taiwan will not participate in the 1990 Asian Games to be held in Beijing, China, a government official said Monday.

"It is our government's policy that we will not participate in any athletics, cultural and academic activities held in mainland China," Foreign Minister Ding Mou-shih told the Legislative Yuan.

Mr. Ding said Taiwan's absence from the 1990 Asian Games would not affect its stance towards participating in future Olympic Games and athletic competitions in other countries.

Peter Chang, Secretary General of the Chinese-Taipei Olympic Committee, said the committee would not send a national team to the games in line with government policy, although this would discourage local athletes.

Taiwan was forced to withdraw from the 1973 Asian Games when mainland China was admitted as the official representative of China, Mr. Chang said.

It resumed its membership in 1986 by agreeing to use the name of "Chinese-Taipei" in future Asian Games. The 1990 Games in Beijing was to have been the first time Taiwan participated under its new status.

FRG Party Delegation Arrives for Visit
*OW140541 Taipei CNA in English 0434 GMT
14 Mar 88*

[Text] Taipei, March 14 (CNA)—A four-member delegation of members of the West German Christian Democratic Union, led by Erwin Marschewski, will arrive in Taipei Monday afternoon for a six-day visit.

Other members of the delegation are parliamentarians Hermann Kroll-Schlueter and Julius Louven, and Lothar Hegemann, president of the Commission for Environmental Protection of Nordrhein-Westfalen state.

During the visit, the delegation will call on Vice Foreign Minister Steven F. Wang, Vice Interior Minister Wang Shan-wang and other ranking government officials.

Parliamentary Reform Committees Set Up
*OW150700 Taipei CNA in English 0300 GMT
15 Mar 88*

[Text] Taipei, March 15 (CNA)—The National Security Council (NSC) has set up an ad hoc committee and a working committee to recommend the details of the central parliamentary reform, it was learned Monday.

The ad hoc committee is composed of senior advisor to the president Huang Shao-ku, Premier Yu Kuo-hwa, president of the Legislative Yuan Ni Wen-ya, president of the Control Yuan Huang Tsun-chiu, Presidential Secretary-General Shen Chang-huan, Kuomintang [KMT] Central Committee Secretary-General Lee Huan, secretary-general of the National Security Council Wei-kuo Chiang, secretary-general of the National Assembly Irwine W. Ho, Interior Minister Wu Po-hsiung, and Taiwan Governor Chiu Chuang-huan.

The working committee comprises Tung Shih-fen, deputy secretary-general of the National Security Council; Ma Ying-chiu, deputy secretary-general of the KMT Central Committee; Liang Su-jung and Huang Kwang-ping, deputy secretaries-general of the KMT Policy Coordination Committee; Wu Chi-fang, deputy secretary-general of the Executive Yuan; Tuo Teh-jung, secretary-general of the KMT caucus in the National Assembly; and John C. Kuan, director of the KMT Organization Affairs Department.

The first joint meeting of the two committees was held Monday morning at the NSC with Huang Shao-ku presiding.

In addition to exchanging views on the reform, the participants decided that the reform of the parliamentary bodies should be completed by the end of the year.

The committee will recommend the number of members to be elected to the central parliamentary bodies.

DPP Calls for Direct Local Elections
*HK111558 Hong Kong AFP in English 1554 GMT
11 Mar 88*

[Text] Taipei, March 11 (AFP)—A Taiwan opposition party Friday called on the ruling Kuomintang party (KMT) to accelerate the pace of political reform and allow the people to directly elect provincial governors and mayors.

A nine-member Democratic Progressive Party (DPP) delegation made the call at a meeting with Premier Yu Kuo-hwa to discuss and exchange views on how to reform the election system for provincial and county government, a DPP official said.

The DDP delegation, led by Kang Ning-hsiang, asked Mr. Yu to press the KMT to enact laws on the autonomy of provincial and county governments so as to enable local citizens to elect their own provincial governors, magistrates and mayors.

These laws would legalise the organisation of provincial, county and municipal governments as well as strengthen the functions of provincial and city councils, the DDP official said.

"The KMT has promised to implement a democratic constitutional government, but it has yet to allow people here to choose their own regional government leaders," Mr Kang said in a statement.

Observers said the meeting was the highest level dialogue between the KMT and the DDP so far but it had done nothing to make the DPP cancel a planned demonstration Saturday to demand direct elections for regional government leaders, the DDP official said.

Hong Kong

UK, PRC Foreign Ministers Make Progress in Talks
HK120457 Hong Kong SOUTH CHINA MORNING POST in English 12 Mar 88 pp 1, 2

[From David Healy in London]

[Text] The British and Chinese foreign ministers yesterday agreed that highly satisfactory progress was being made on the implementation of their agreement on Hong Kong.

The British Foreign Secretary, Sir Geoffrey Howe, and Chinese Foreign Minister, Mr Wu Xueqian, had five hours of talks in London on a wide range of international and bilateral issues. Hong Kong was the main topic.

Mr Wu's six-day visit to the United Kingdom opened after the British Government was again forced to reject opposition claims that the pace of political reform in the territory was too slow.

Junior Foreign Office Minister Tim Eggar dismissed an attack led by the deputy chairman of the Parliamentary Group on Hong Kong, Dr John Marek, saying there was a preference in the territory for a "continuous and gradual" approach to such initiatives as the introduction of direct elections.

Mr Wu, who flew to London from Washington where he had agreed that China would not sell arms directly to Iran, was greeted by Sir Geoffrey at his residence at Chevenings, outside London.

In meetings early today, questions relating to the return of the territory to Chinese sovereignty in 1997 were certain to be raised, diplomats said.

In particular, Mr Wu was expected to discuss China's plans for the Basic Law.

Labour Members of Parliament have threatened to press for a full debate on the mini-constitution after it is released in draft form in May in Hong Kong.

China has said it opposes this.

Dr Marek, who initiated the debate, said that on a recent visit to Hong Kong he had found residents very receptive to direct elections.

It was a "big disappointment" that it would be 1994 before elected members would achieve a majority on the council.

Sir Russell Johnston, the Social and Liberal Democratic Party spokesman on foreign affairs, said he was also concerned about the delayed introduction of the polls. "The Government has very much let the people of Hong Kong down in this regard," he said.

Mr Eggar said, however, that although opinion on the timing of direct elections was sharply divided, general reaction to the White Paper on political reform in Hong Kong had been encouraging.

He said the next important date for the territory was the publication in two months of the Basic Law.

This would enshrine the fundamental principles of the Joint Declaration between Britain and China on Hong Kong's future, he added.

On Tuesday, Mr Wu visits the London Stock Exchange before flying on to Paris.

Governor Meets With Japan's Takeshita in Tokyo
HK120607 Hong Kong SOUTH CHINA MORNING POST in English 12 Mar 88 p 2

[From Michael Marray in Tokyo]

[Text] The Governor, Sir David Wilson, yesterday met the Japanese prime minister, Mr Noboru Takeshita, during the third day of his visit to Japan.

Sir David was accompanied by Senior Member of the Executive Council Sir Sze-yuen Chung, Trade Development Council chairman Miss Lydia Dunn and Hong Kong Bank chairman Mr William Purves.

General economic and political issues were discussed during the 15-minute meeting.

Earlier Sir David met Mr Tadashi Kuranari, vice-chairman of the Liberal Democratic Party's Special Committee on International Economic Measures.

The talks rounded off Sir David's stay in the Japanese capital, during which he met a wide range of senior Government officials and businessmen in a bid to strengthen trade links between Hong Kong and Japan.

Calls were made from the Hong Kong side for a further opening up of the Japanese market to Hong Kong businesses.

Despite strong growth registered in Hong Kong's exports to Japan, some 53 percent last year, the trade surplus in favour of Japan continues to grow.

A significant part of the territory's exports to Japan is made up of fur clothing, which accounted for \$2.4 billion worth of last year's total domestic exports of \$9.5 billion.

Exports of jewellery, which leapt by over 100 per cent in value compared with 1986 levels, made up another \$1.1 billion of this total.

However in 1987 Hong Kong imported \$47.4 billion worth of goods from Japan, five times the value of Japanese imports from Hong Kong.

At a meeting of the Hong Kong/Japan and Japan/Hong Kong Business Cooperation Committees held during Sir David's visit, ways of tackling this imbalance were discussed.

Particular emphasis was placed on efforts to persuade the Japanese trading and retailing community to purchase more Hong Kong-made goods.

After his morning meetings Sir David proceeded to Tokyo Station. Accompanied by Lady Wilson and members of the mission he boarded the bullet train for the three-hour journey to Osaka.

There the delegation was scheduled to attend a gala fashion presentation to mark the opening of a large-scale promotion of Hong Kong products at the Daimaru Umeda Store.

The promotion, sponsored by Cathay Pacific Airways and the Hong Kong Tourist Association, will run until March 21.

Trade With East China Said Promoted
OW131528 Beijing XINHUA 4 in English 1440 GMT
13 Mar 88

[Text] Hong Kong, March 13 (XINHUA)—Hong Kong Trade Development Council [HKTDC] is organizing a 10-day study mission to Qingdao, Yantai, in Shandong Province, and Tianjin in May to promote the trade relations with these cities in east China.

Comprising 12 Hong Kong enterprises, the study mission will take part in seminars and business discussions, and visit factories in economic and technological development zones of the three cities during the stay from May 23 to June 1.

Delegates of the mission will represent industries in the fields of light industrial machinery, particularly those related to plastic, textile, food processing and electronic parts and components. Others include processing equipment manufacturers and traders of garments, watches, plastics and food.

The mission is jointly organized by the sub-councils of the China Council for the Promotion of International Trade in the three cities.

A spokesman for HKTDC said the economic growth in Qingdao, Yantai and Tianjin in recent years was very impressive and the study mission is specially organized to tap the growing trade as well as investment opportunities.

Canadian 'Expert' To Head Futures Exchange
HK120547 Hong Kong SOUTH CHINA MORNING POST
in English 12 Mar 88pp 1, 2

[By Eva To]

[Text] The Hong Kong Futures Exchange, which had to be bailed out with a \$4 billion rescue package last year, has hired a Canadian futures expert as its new chief executive.

Mr Douglas Ford, 45, who has been the president and chief executive officer of the Winnipeg Commodities Exchange for the past 10 years, will join as vice-chairman and chief executive on June 13.

Yesterday he criticised the four-day closure of the Hong Kong Stock Exchange after the crash last October, calling it "very unfortunate".

"A marketplace is there to feel all the effects of supply and demand and you cannot close any exchange just before some feel what's going to happen is going to be one-sided," he said.

"You must allow the market forces to interplay—closing the exchange prevents that."

Speaking on RTHK's [Radio Television Hong Kong] "Money Program" last night, Mr Ford said there had obviously been problems with the Futures Exchange but "I understand that a number of changes have been made ... to correct them. Once these changes are in place I believe you can then take a look at developing the exchange into a world-class trading market."

Mr Ford said he approved of the changes that had been made to the terms of the capitalisation of the members and to the way members related to the clearing organisation.

"If the general rules of trade that are now used in the United States, Canada and England are used, this will ensure public confidence. Then I think we can bring back the investor and the commercial hedgers to be involved in the Hong Kong exchange," he said.

During the closure of the Stock Market, the Futures Exchange came close to collapse when investors were unable to settle outstanding contracts valued at \$1.8 billion.

The Government had to call in Hambros Bank to put together a rescue package, with funds provided by the Government, Hong Kong's big banks and stockbrokers.

The chairman of the Futures Exchange, Mr Kim Cham, resigned along with vice-chairman Ronald Li.

Li, the former chairman of the Stock Exchange, is due to appear in court next month on bribery charges.

Turnover of the Hang Seng stock index futures contracts tumbled from a pre-crash daily average of 25,000 to just a few hundred. Daily turnover has been hovering around the 1,000 mark in recent weeks.

If the low levels persist, it will wreck hopes of an early repayment of the lifeboat facility put together to prop up the Futures Guarantee Corporation in the wake of massive defaults in October.

The exchange chairman, Mr Wilfrid Newton, said: "I am delighted the exhaustive search for a chief executive of the exchange has resulted in the appointment of Douglas Ford. We consider him the best from the shortlist of three.

"He will bring wide futures experience, proven and mature management skills and the right temperament and personality to the exchange."

According to Mr Newton, Mr Ford is expected to serve an initial term of two years, renewable afterwards.

The appointment will relieve Mr Phillip Thorpe from his emergency secondment to the Futures Exchange so that he can resume his recent promotion to Deputy Commissioner for Securities and Commodities Trading.

Mr Ford's academic background is in agriculture, agricultural economics and market economics.

Among many senior business responsibilities, Mr Ford is the vice-chairman and director of the Canola Council of Canada, director and executive committee member of the Canada Grains Council and president of the Canadian Financial Futures Market.

He is also a consultant to the Futures and Options Committee of the Canadian Securities Institute and a member of the Japan-Canada trade consultations, the Swiss Commodity Futures Association, the Futures Industry Association (USA) and until recently the Conference Board of Canada.

Before joining the Winnipeg Commodities Exchange, Mr Ford was a professor of agricultural economics for two years at the University of Manitoba.

He has spent five years in the industry and was western research manager of the ICI International group in Canada.

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